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THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume V, Part II

(16th February to 6th March, 1925)

SECOND SESSION
OF THE
SECOND LEGISLATIVE ASSEMBLY, 1925



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Legislative Assembly.

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Deputy President :

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KHAN BAHADUR SAJJID MUHAMMAD ISMAIL, M.L.A.

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LEGISLATIVE ASSEMBLY.

Monday, 16th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

CANVASSING BY APPLICANTS FOR APPOINTMENTS UNDER THE CENTRAL GOVERNMENT.

849. ***Sir Campbell Rhodes:** Will the Government kindly state whether their regulation that "Any attempt on the part of a candidate to enlist support for his application through persons of influence will disqualify him for appointment" applies to all posts under the Central Government and if so does a recommendation from a Member of the Assembly disqualify a candidate for appointment?

The Honourable Sir Alexander Muddiman: The Regulation applies to the majority of posts admission to which is by examination and to certain posts admission to which is by nomination. A Member of the Legislative Assembly is undoubtedly a person of influence and a recommendation from a Member for appointment to a post to which the regulation applies, if solicited by the candidate, would render him liable to disqualification.

Sir Campbell Rhodes: Does that apply to all appointments under Government?

The Honourable Sir Alexander Muddiman: I have had the matter looked into, and there is no general rule. It is a rule in most regulations regulating admission to Government service.

Sir Campbell Rhodes: Will Government make it of general application, because we are much harassed by these applications?

The Honourable Sir Alexander Muddiman: I shall have much pleasure in considering that point.

Mr. A. Rangaswami Iyengar: May I know, Sir, whether that rule applies to Members of the Assembly?

The Honourable Sir Alexander Muddiman: I have just stated that they are persons of influence.

Mr. Gaya Prasad Singh: May I take it that a certificate granted by a Member of the Legislative Assembly to an applicant renders him unfit or disqualified?

The Honourable Sir Alexander Muddiman: If solicited by the candidate and if the candidate canvasses for it, yes.

Mr. Gaya Prasad Singh: But certainly, Sir, no man will give a certificate without being asked for it?

The Honourable Sir Alexander Muddiman: The Honourable Member is better able to speak on that point of fact than I am.

Mr. K. Ahmed: In the case of candidates coming from the interior of the provinces for appointments here under the Central Government, would it not be of great help if they could get a word saying that they possess good characters and have ability and come of good families?

The Honourable Sir Alexander Muddiman: Certificates of that kind are certainly provided for in most regulations.

INDIAN STUDENTS' DEPARTMENT, LONDON.

850. ***Khan Bahadur Sarfaraz Hussain Khan:** (a) Will the Government be pleased to state if it is a fact that the Secretary of State for India has accepted the proposal of the Indian Government in connection with the Lytton Committee Report to maintain the Indian Students' Department in the High Commissioner's Office?

(b) If so, will they please lay a copy of their proposal on the table?

Mr. J. W. Bhore: (a) Yes.

(b) A copy is laid on the table.

Extracts from the Government of India's despatch No. 8, dated the 18th September 1924.

* * * * *

4. *Indian Students' Department (paragraph 88).*—The Committee proposes that the Indian Students' Department should be abolished and replaced by (a) a central agency maintained by the Indian Universities in London (paragraph 92 of Report) and (b) an inquiry office in the office of the High Commissioner (paragraph 93 of Report). With the first of the proposed agencies we will deal further in paragraph 7 below. The second amounts to nothing more than the retention of the Indian Students' Department under another name. This is, in fact, the proposal of the High Commissioner who points out that some official organisation is in any case essential:—

(i) to look after State scholars and the disbursement of their stipends;

(ii) to administer the funds of youths placed by their parents under the guardianship of the High Commissioner for India; and

(iii) to perform the functions suggested in paragraphs 93 and 98 of the Report.

We are of opinion that the Indian Students' Department must be retained, but in order to remove prejudice it should, subject to such reorganisation as may be necessary, assume a more neutral title such as "Education Department of the High Commissioner's office" as suggested by the High Commissioner.

* * * * *

7. The need for an agency or agencies in London (paragraph 92).

* * * * *

In view of the need for continuing the "Education Department of the High Commissioner's office" we agree, for the present, with the opinion expressed by the Government of the Central Provinces that the work required of a central agency in England could best continue to be performed by this branch of the High Commissioner's office. We are supported in this conclusion by the Indian Universities Conference, which after a careful examination of the question was of the opinion that the proposed University Students' Information Bureau, when formed, might use the existing organisation in Great Britain and that the question of forming a separate central agency in England for Indian Universities might be deferred till further experience had been gained of the working of the Bureau.

* * * * *

We would leave undisturbed the existing arrangement whereunder the Burma Society caters for the requirements of Burma students.

INDIANS IN VARIOUS CLASSES OF APPOINTMENTS ON THE NORTH WESTERN RAILWAY.

851. ***Khan Bahadur W. M. Hussanally:** With reference to Baboo Runglal Jajodia's questions Nos. 619, 620, 621, 622 and 623 in the list of questions dated 31st January 1925, will the Government please furnish the information therein asked, for the North Western Railway?

Mr. G. G. Sim: *Question No. 619.*—The reply already given applies except that there are at present two Indian Assistant Controllers of Stores on the North Western Railway.

Question No. 620.—The information relating to the North Western Railway is available in the Railway Board's Classified List which is in the Library.

Question No. 621.—The reply already given applies.

Questions Nos. 622 and 623.—The Honourable Member is referred to the statistics given in chapter V of the Report by the Railway Board on Indian Railways for 1923-24 showing the numbers, by Departments, of subordinate staff on Indian Railways classified under Europeans, Anglo-Indians, Muslims and Non-Muslims. The Government have no further statistics and do not propose to call for statistics in any greater detail.

SPECIAL XMAS TRAIN FROM KARACHI TO LAHORE FOR EMPLOYEES OF THE NORTH WESTERN RAILWAY.

852. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that an Xmas special train is run every year from Karachi to Lahore and back for the benefit of railway employees only?

(b) If so, what is the number of such employees carried by that train during the last Xmas?

(c) What was the cost of that special to the railway administration?

Mr. G. G. Sim: (a) No.

As an experiment a special train was run last Xmas from Karachi City to Lahore and back for Indian railway employees proceeding to their homes, because in the previous year the travelling public had been much inconvenienced by the large number of railway employees travelling at that time in the regular trains. The alternative to the running of a special train was the duplication of another train and it was considered that the former was preferable as avoiding inconvenience to the travelling public.

(b) About 1,450 from Karachi and Kotri, augmented by others from Sukkur and Multan areas.

(c) It is not possible to calculate the exact cost of this special train but it is probable that the actual additional expenditure involved in carrying these employees was not more than about Rs. 2,000.

INDIAN EMPLOYEES IN THE RAILWAY WORKSHOPS AT KARACHI.

853. ***Khan Bahadur W. M. Hussanally:** (a) What is the total number of Indian employees in the railway workshops at Karachi of various grades and denominations?

(b) How many of these are residents of Sind and how many of the Punjab and elsewhere?

(c) How many of each class are artizans and how many coolies?

Mr. G. G. Sim: The Honourable Member is referred to Chapter V of the Report by Railway Board on Indian Railways for 1923-24, Vol. I, showing the number of Europeans, Anglo-Indians, Muslims and non-Muslims employed on Railways. Government have not got information in any greater detail than this and cannot undertake to collect it.

RECRUITMENT OF SINDHIS IN THE SIND SECTION OF THE NORTH WESTERN RAILWAY.

854. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that Sindhi Muhammadans do not find any place in the Traffic Department and on the Sind section of the N.-W. R. except as menials? If the answer be in the negative, will Government please give their relative numbers in the various Departments?

(b) Is it a fact that Punjabis and others are preferred to Sindhis on the Sind section whether Hindus or Muhammadans? If not, will Government please give their relative numbers apart from menials?

(c) Do Government propose to issue orders that Sindhis be recruited in increasing numbers, whether Hindus or Muhammadans, from year to year with a view to eliminate all unnecessary expense of importation?

Mr. G. G. Sim: (a) Government have no information.

(b) Appointments are made in view of practical qualifications of candidates and Government have no reason to suppose that any such discrimination as referred to is made.

(c) No.

INTRODUCTION OF A NEW DIVISIONAL ARRANGEMENT ON THE NORTH WESTERN RAILWAY.

855. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that recently a new divisional arrangement has been introduced on the N.-W. R. and some districts which originally existed on that line have been abolished?

(b) Is it a fact that in consequence of this arrangement several new buildings have been erected at Karachi and elsewhere to accommodate these new offices?

(c) If so, what has been the total cost of these new buildings and the removal of offices generally?

(d) If this new arrangement has been introduced with a view to economy will the Government state how much money has been saved by this course?

(e) How many appointments carrying a salary of over Rs. 500 a month have been abolished in consequence of this change and how many of lesser rank?

(f) If the new arrangement has been introduced for some other reasons what are they?

Mr. G. G. Sim: (a) Yes.

(b) Yes.

(c) The approximate cost is Rs. 2,01,531.

(d), (e) and (f). The Honourable Member is referred to item (c) of the reply given in this Assembly on 2nd February, 1925, to Mr. Chaman Lal's question No. 535.

GRANT OF COMPENSATORY ALLOWANCE TO RAILWAY EMPLOYEES AT
KARACHI.

856. ***Khan Bahadur W. M. Hussanally:** Will Government be pleased to refer to the reply given to unstarred question No. 2120 asked on the 17th of September 1924, and state if any decision has been arrived at with regard to grant of compensatory allowance to railway employees drawing over Rs. 100 per mensem and stationed at Karachi?

Mr. G. G. Sim: The matter is still under consideration.

GRANT OF EXTRA PAY TO INDIAN DRIVERS FOR SUNDAY WORK.

857. ***Khan Bahadur W. M. Hussanally:** Will Government be pleased to refer to reply given to unstarred question No. 2151 (d) asked on the 12th of September 1924 and state if any decision has been arrived at with regard to the grant of the same privileges of extra pay to Indian drivers for working on Sundays as are enjoyed by the European and Anglo-Indian drivers? If not, when is it likely to be arrived at?

Mr. G. G. Sim: Government have called for a report on the subject from all Railways. All the replies have not yet been received. As soon as all replies have been received, the question will be considered and a decision arrived at as soon as possible.

HAJ COMMITTEES.

858. ***Maulvi Mohammad Shafee:** (a) Will the Government be pleased to state when were the Central Haj Committee and the other Haj Committees at Jeddah and in the Provinces of India and other important centres formed?

(b) What was the object of forming them and what are the rules and regulations which govern the Haj Committees as at present constituted?

(c) What is the cost of maintaining the Haj Committee at Jeddah, the Central Haj Committee and the other Haj Committees in British India?

(d) Would the Government be pleased to place on the table the report, if any, of the working of the said committees from the time of their establishment to the present time?

Mr. J. W. Bhole: The reply to this question is somewhat lengthy and with your permission, Sir, I shall lay it on the table.

(a) The Central and the Jeddah Haj Committees were formed in 1922. The Haj Committees in Bombay, Karachi and Calcutta were created in 1908, 1912 and 1913, respectively. The Committee in Calcutta was converted into a provincial Committee in 1917. The Bihar and Orissa Haj Committee was constituted in 1914. The Government of India have no information as to whether there are other Haj Committees and, if so, when they were constituted.

(b) The Central Haj Committee was formed mainly for the purpose of raising funds from the Muslim community to meet the cost of the repatriation of indigent Indian pilgrims stranded at Jeddah. But as no adequate response was forthcoming to the appeal for private funds, this Committee ceased to function. The Committee in Jeddah was intended to assist the British Agent and Consul in administering funds raised from private sources which might be placed at his disposal for repatriating destitutes, and became moribund for the same reason as the Central Haj Committee.

The object of forming the provincial and local Committees at different centres in India was to provide suitable local agencies to assist in the collection of funds from private sources for repatriating destitutes, to disseminate information regarding the approximate dates of sailing, rates of fares and other matters connected with the pilgrimage, to advise and assist intending pilgrims from their respective localities, and to supply timely information to the Haj Committees at the ports of embarkation in regard to the numbers and dates of departure of such pilgrims. No rules or regulations have been framed by Government in regard to these Committees.

(c) As I have pointed out in my answer to part (b) of the question, the Central Haj and the Jeddah Committees no longer exist. The Government of India give financial assistance from central revenues only to the Bengal and Bihar and Orissa Haj Committees, but to no others.

(d) No such report has been received by the Government of India.

FACILITIES FOR INDIAN PILGRIMS IN JEDDAH.

859. ***Maulvi Mohammad Shafee:** What arrangements, if any, have been made in Jeddah to secure facilities for the Indian pilgrims on their return from the Holy places pending re-embarkation for the return journey?

Mr. J. W. Bhore: There is a British Consul at Jeddah to give advice, assistance and protection to British subjects and British protected persons, including Indian pilgrims to the Hedjaz. A special Indian Pilgrimage Officer has also been employed at Jeddah during the last two pilgrim seasons in order to assist the British Consul in looking after their welfare.

ORGANIZATIONS FOR THE SUPERVISION OF THE EMBARKATION OF PILGRIMS.

860. ***Maulvi Mohammad Shafee:** Is there any Government or private agency to organize the actual embarkation of the pilgrims at the ports of departure? If so please state the actual working of such organizations?

Mr. J. W. Bhore: In Bombay all arrangements for the embarkation of pilgrims are made by the Pilgrim Department and the Port Health Staff. The Pilgrim Department peons conduct pilgrims from the *Musafir khanas* to the disinfection station and from there to the ship. Actual embarkation is conducted and controlled jointly by the Port Health Office and the Pilgrim Department Staffs. Similar arrangements are made at Karachi where Government Departments are also helped by a non-official Haj Committee. At the wharf the Police Department keeps order and prevents unauthorised persons entering the areas reserved for pilgrims.

PORTS OPEN FOR THE PILGRIM TRAFFIC.

861. ***Maulvi Mohammad Shafee:** Which ports were opened for the departure of pilgrim ships last year and what were the numbers of pilgrims embarking from these ports?

Mr. J. W. Bhore: The ports of Bombay and Karachi were open to pilgrim traffic last year. No new port was opened. The total number of pilgrims who sailed from these two ports was 18,060; 11,800 from Bombay and the rest from Karachi.

Mr. K. Ahmed: Do Government propose for the benefit of the public to open the Port of Calcutta?

Mr. J. W. Bhore: That question is now under consideration.

Mr. K. Ahmed: Do Government realise that this matter has been under consideration for the last two or three years and that last year the Honourable Member himself promised that they would consider it?

Mr. J. W. Bhore: I am perfectly aware of that fact, Sir, and I hope that it will be possible to come to a decision very shortly.

REPATRIATION OF DESTITUTE PILGRIMS.

862. ***Maulvi Mohammad Shafee:** What was the number of destitute pilgrims at Jeddah in the year 1924? How many were repatriated to ports in British India? What amount of money has to be incurred on their account? How much of it had the Government to spend? How much of it came from private sources?

Mr. J. W. Bhore: The Honourable Member is referred to the statement laid on the table on the 9th February 1925 in reply to his starred question No. 818.

HOUSE RENT ALLOWANCE OF DEPUTY, ASSISTANT AND SUB-POSTMASTERS IN LAHORE.

863. ***Mr. S. Sadiq Hasan:** (a) Will the Government be pleased to state if it is a fact that the house rent allowance paid to Deputy, Assistant and Sub-Postmasters in Lahore has been stopped from the 1st July 1924 and if it is also a fact that similar allowances in other provinces stand untouched?

(b) Do Government see any reason to deprive these officials in Lahore of the said allowance where house rent is extremely high?

(c) Will the Government be pleased to state whether the Assistant Postmasters and Deputy Postmasters in Lahore are required to attend offices at inconvenient hours, i.e., other than 10 A.M. to 4 P.M.?

(d) If so, are the Government prepared to restore the allowance in question?

The Honourable Sir Bhupendra Nath Mitra: (a) The reply to the first query is in the affirmative and to the second in the negative.

(b) The house rent allowances of the officials were withdrawn in accordance with a general principle which was laid down in respect of the grant of house rent allowances to postal officials.

(c) The officials referred to are required to attend office at hours other than 10 A.M. to 4 P.M.

(d) The Director-General is reviewing the matter.

CLASSIFICATION OF CERTAIN POSTAL OFFICIALS.

864. ***Mr. S. Sadiq Hasan:** (a) Will the Government be pleased to state whether Deputy Postmasters and Assistant Postmasters belong to the same cadre to which the other Postmasters holding superintending charge belong?

(b) Will it also be pleased to state whether Personal Assistants to the Postmaster General belong to the same cadre as Superintendents of Post Offices?

Sir Geoffrey Clarke: With your permission, Sir, I propose to answer questions Nos. 864 and 865 together. Superintendents of Post Offices and of the Railway Mail Service and such of those officers as may be appointed as Personal Assistants to the Heads of the Postal and Railway Mail Service Circles are all in the same cadre and on the same scales of pay. Duty allowances of Rs. 100 each are granted to those Superintendents who work as Personal Assistants in consideration of the fact that they act as Secretaries to Heads of Circles, and their duties are more arduous than those of Divisional Superintendents. Postmasters, Deputy Postmasters and Assistant Postmasters, however, are on scales of pay depending on the importance of the posts which they hold.

DUTY ALLOWANCE OF PERSONAL ASSISTANTS TO THE POSTMASTER GENERAL.

†865. ***Mr. S. Sadiq Hasan:** (a) Will the Government be pleased to state whether a duty allowance of Rs. 100 p. m. is granted to every P. A. working in the P. M. G.'s office?

(b) If the reply is in the affirmative will the Government be pleased to state why a different treatment is extended to Deputy and Assistant Postmasters of Lahore?

COMPENSATORY ALLOWANCES TO SELECTION GRADE POSTAL OFFICIALS STATIONED AT LAHORE, DELHI, RAWALPINDI AND PESHAWAR.

866. ***Mr. S. Sadiq Hasan:** (a) Are the Government aware that the time scales for post office clerks, postmen and other staff at Lahore, Delhi, Rawalpindi and Peshawar are higher than those prevailing at other places in the Punjab and N.-W. F. Circle and does it mean that this is due to the higher cost of living?

(b) If so will the Government be pleased to state why no compensation allowance is given to selection grade officials at the above-named places?

Sir Geoffrey Clarke: (a) The answer to the first query in this part of the question is in the affirmative. The reasons given by the Postal Committee of 1920 for the grant of the higher pay referred to in the towns of Lahore, Delhi, Rawalpindi and Peshawar were not only that in these large towns the cost of living is comparatively high but that the work in the post offices there is more arduous and difficult than in post offices in the smaller towns and it was hoped that the more favourable scale of pay would attract recruits of a higher order of intelligence.

(b) Selection grade appointments are supervisory and their responsibilities are not affected by the size of the towns in which the incumbents are stationed. Further, direct recruits are not taken into the selection grades.

OPIMUM TRAFFIC.

* 867. ***Mr. Gaya Prasad Singh:** (a) With reference to my starred question No. 1689 of the 8th September 1924, regarding opium, has the attention of the Government been drawn to an article entitled "The Opium Traffic, England's Responsibility" by Miss Ellen N. La Motte, published

† For the Answer to this Question—see below question No. 864.

in the *Nation* of New York, and reprinted in the *Servant* newspaper, dated the 15th October 1924, in which the following passage occurs:

“Whenever the opium trade is mentioned, one inevitably speaks of England. The two go together, hopelessly intertwined, because for a century and a half England has so closely identified herself with this traffic that there is no way of mentioning the one without of necessity speaking of Great Britain's share in it. The lion's share unfortunately! In the first place, Great Britain has three separate interests in opium. As a producing country, India leads in the world output; as a consuming country, Great Britain has more colonies where opium is eaten and smoked than any other nation; and as a manufacturing country, England plays a great role in the manufacture of morphia, heroine, codeine, which are derivatives of opium.”

(b) Is it a fact as stated in the article referred to that:

“Wellington Koo in 1921 introduced a Resolution before the Council of the League of Nations asking that opium production be limited to the strict medical needs of the world and that at the suggestion of the British delegate, the Assembly of the League changed the wording of this Resolution so that opium was to be produced for medical and legitimate needs.”

The Honourable Sir Basil Blackett: (a) The Government have seen the article. It is of course not true that India “leads in the world's output.” The estimated production in China is about 12,000 tons annually—whereas the Indian production (including the annual production of Indian States) is approximately 1,500 tons. The estimated world production is over 15,000 tons. I may add that most of the other allegations in the article are equally unfounded.

(b) The change suggested was made at the instance of the Indian delegate—the Right Honourable V. S. Sastri. I have more than once explained in this House the reasons which render it impossible to attempt to limit the supply of opium in India to those who can procure a medical certificate.

Mr. C. Duraiswami Aiyangar: May I know, Sir, if the Honourable Member is prepared to give up opium as a source of revenue for the ensuing year?

The Honourable Sir Basil Blackett: The Honourable Member may judge for himself the answer to a question like that.

GRANT OF EXTRA PAY FOR SUNDAY WORKS TO INDIAN DRIVERS ON THE EASTERN BENGAL RAILWAY.

868. ***Mr. Amar Nath Dutt:** With reference to the reply given by the Chief Commissioner of Railways to part (d) of question No. 2151 asked in the Legislative Assembly on the 17th September, 1924, will the Government be pleased to state what decision has been arrived at in the matter of extending the privileges in respect of extra pay to the Indian drivers as are enjoyed by the European and Anglo-Indian drivers on the E. B. Railway?

Mr. G. G. Sim: The Honourable Member is referred to the reply given by me to a similar question asked by Khan Bahadur W. M. Hussanally.

SUPPLY OF FILTERED WATER TO THE RAILWAY EMPLOYEES AT PAKSEY ON
THE EASTERN BENGAL RAILWAY.

869. ***Mr. Amar Nath Dutt:** (a) With reference to Government reply to question No. 2264, asked in the Legislative Assembly on the 19th September, 1924, will the Government be pleased to state if any inquiry has been made from the Agent, E. B. Railway?

(b) If so, will the Government please communicate to the House the result of that inquiry?

Mr. G. G. Sim: (a) and (b). As promised in the reply to question No. 2264, a copy of the question was furnished to the Agent, Eastern Bengal Railway. The Government will now ask for the Agent's remarks on the question and communicate with the Honourable Member in due course.

PROVISION OF QUARTERS FOR THE SUBORDINATE STAFF OF THE EASTERN
BENGAL RAILWAY.

870. ***Mr. Amar Nath Dutt:** With reference to the reply given by the Government to starred question No. 2144, asked in the Legislative Assembly on the 17th September, 1924, will the Government be pleased to state:

- (a) What amount has up to date been sanctioned for the provision of quarters for the subordinate staff of the Eastern Bengal Railway?
- (b) Whether the construction of such quarters has already been taken up or not?
- (c) Where these quarters are being or will be built and when the construction, if already commenced, is expected to be completed?
- (d) For what class or section of the staff these quarters are meant?

Mr. G. G. Sim: (a), (b) and (c). During the past two years the Railway Board have sanctioned estimates amounting to approximately Rs. 18 lakhs for the construction of quarters in Calcutta and its suburbs for the subordinate staff of the Eastern Bengal Railway. They do not know how far the work on these estimates has proceeded.

(d) The quarters are intended for the use of subordinates of the engineering, locomotive and traffic departments and for some clerks.

WORKING HOURS OF THE TRAFFIC AND TRANSPORT STAFF ON INDIAN
RAILWAYS.

871. ***Mr. Amar Nath Dutt:** (a) With reference to Government reply to starred question No. 2152, asked in the Legislative Assembly on the 17th September, 1924, will the Government be pleased to state if the inquiry they promised to make, has been completed?

(b) If so, will the Government please communicate the result to the House?

Mr. G. G. Sim: The Honourable Member is referred to the reply given to question No. 150 on the 23rd January 1925.

APPEALS OF THE EMPLOYEES OF THE EASTERN BENGAL RAILWAY AGAINST
THE ORDERS OF DISTRICT OFFICERS.

872. ***Mr. Amar Nath Dutt:** (a) With reference to Government reply to starred question No. 2143, asked in the Legislative Assembly on the 17th September, 1924, will the Government be pleased to state if they have received the remarks from the Agent, E. B. Railway, in regard to this question?

(b) If so, will the Government please place them before the House?

Mr. G. G. Sim: The Honourable Member is referred to the reply given to a similar question No. 148.

APPOINTMENT OF STATION MASTERS AND ASSISTANT STATION MASTERS
ON THE EASTERN BENGAL RAILWAY.

873. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state why the running staff in all the Railways and especially in the Eastern Bengal Railway simply after passing the examination of train-passing, are allowed to become station masters and assistant station masters of important stations with higher salaries in preference to those who are already working as station masters and assistant station masters?

(b) Does not this practice block the prospects and promotion of senior men who are working in those capacities?

(c) If the answer to (b) be in the affirmative, are the Government prepared to issue orders to put a stop to such practice?

Mr. G. G. Sim: (a), (b) and (c). The selection of staff for the posts referred to is a matter for the Agent's discretion with which Government do not interfere.

RECRUITMENT OF OUTSIDERS INSTEAD OF RE-EMPLOYMENT OF RETRENCHED
MEN ON THE EASTERN BENGAL RAILWAY.

874. ***Mr. Amar Nath Dutt:** (a) With reference to Government reply to unstarred question No. 35, asked in the Legislative Assembly on the 1st February, 1924, will the Government be pleased to state whether the inquiries promised by the Government have been completed?

(b) If so, will the Government please communicate to the House the result of their inquiries?

Mr. G. G. Sim: (a) Yes.

(b) (i) The reply to the first part of the inquiry is in the negative so far as the Engineering, Stores, Medical and Locomotive Departments are concerned. In the other Departments of the Railway 37 have been re-employed of whom 36 were Indians and 1 Anglo-Indian. In addition 47 outsiders were appointed of whom 43 were Indians and 4 Anglo-Indians.

(ii) So far as subordinate staff is concerned, the reply is in the negative. But in the case of certain low paid staff discharged outsiders were engaged as the men retrenched had left the locality and were not available.

SUPPLY OF WAGONS TO EMPLOYEES OF THE OUDH AND ROHILKHAND
RAILWAY.

875. ***Mr. Amar Nath Dutt:** (a) Is it a fact that formerly the O. and R. Railway authorities used to supply a cattle wagon to all clerical staff irrespective of pay, on transfer?

(b) Is it a fact such privilege has now been restricted to employees drawing below Rs. 70?

(c) Is it also a fact that all upper subordinates are supplied with as many wagons as they require, on transfer?

(d) If so, will the Government be pleased to state the reason for this differential treatment?

Mr. G. G. Sim: Domestic matters of this kind are within the competence and left to the discretion of the Agent.

THE POST OFFICE INSURANCE FUND.

876. ***Mr. Kumar Sankar Ray:** (a) Has the attention of the Government been drawn to an article under the head "Insurance—Post Office insurance fund" published in the *Wealth and Welfare* weekly, dated Lucknow, the 21st November 1924, and what action do they propose to take in the matter?

(b) When were the last 2 actuarial valuations of the Fund made? What was the basis of valuation and what rate of bonus was declared at each?

(c) How do the rates of premium of the Postal compare generally with those of the Indian Insurance Companies?

(d) Are the Government aware that there is a good deal of feeling in the public that the Fund is a burden on the public for the sake of a few Government servants, and do the Government contemplate making an inquiry into the matter?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes, Government do not propose to take any action in the matter.

(b) The last two actuarial valuations of the Post Office Insurance Fund were made as at 31st March 1917 and 31st March 1922. With respect to the basis of valuation the Honourable Member is referred to the reply to Mr. Kelkar's question No. 362 on the 17th September 1924. As a result of the 1917 valuation a simple reversionary bonus of $1\frac{1}{2}$ per cent. in the case of whole life assurances and 1 per cent. in the case of endowment assurances was declared, whereas for the 1922 valuation a simple reversionary bonus of $1\frac{1}{5}$ per cent. in the case of whole life and $\frac{4}{5}$ per cent. in the case of endowment assurances was declared.

(c) The rates of premium of the Post Office Insurance Fund appear to be generally lower than those of the Indian Life Assurance Companies.

(d) The answer to both parts of the question is in the negative.

THE POST OFFICE INSURANCE FUND.

877. ***Mr. Kumar Sankar Ray:** (a) Is it a fact that the valuation and other figures of the Postal Insurance Fund are not published along with those of other Indian and foreign companies? If not, why not?

(b) Do the Government contemplate issuing orders that the same facilities should be provided to the Government servants concerned to study and compare the facts and figures regarding the Postal as regarding all other Insurance Companies?

(c) Have Government got the same control and supervision over Fire, Marine and other Assurance Companies as over Life Insurance offices? If not, do the Government propose to have it in the near future?

The Honourable Sir Charles Innes: (a) and (b). Valuation statements and other figures relating to the Postal Insurance Fund are included in the current issue of the Indian Life Assurance Year Book which is now in the Press.

(c) No. The present Act only relates to Life Assurance Companies. The Government of India propose to deal also with other forms of insurance in the Bill which they have under preparation.

NEW PENSION RULES, ETC.

878. ***Mr. Kumar Sankar Ray:** (a) When will the new Pension Rules under the Fundamental Rules for the Government servants under the Central Government and Provincial Governments be brought into force?

(b) Are the Government aware that Government servants generally prefer Provident Fund or Gratuity system as compared with pension?

(c) Do the Government contemplate replacing pension by Provident Fund (as in the Railway Department and District Boards and other private firms and schools) in the near future? If not, why?

The Honourable Sir Basil Blackett: (a) The draft rules are still under the consideration of the Secretary of State and it is not possible to say when they will be brought into force.

(b) The Government are aware that there is a certain body of opinion in favour of a Provident Fund system in place of a pension system, but they are not in a position to say whether this is the general view of Government servants as a whole.

(c) The question is under consideration.

ALLEGED DISCONTENT IN THE OFFICE OF THE CONTROLLER OF MILITARY ACCOUNTS, WAZIRISTAN DISTRICT, LAHORE.

879. ***Mr. Kumar Sankar Ray:** (a) Are the Government aware that there is a good deal of discontent in the temporary clerical establishment of the office of the Controller of Military Accounts, Waziristan District, Lahore, on account of the highhandedness of Mr. E. I. Robbin, the officer in charge of establishment (General) section? If not, are the Government prepared to make an inquiry in this respect?

(b) Are the Government aware that during the last year he discharged many clerks on the plea of retrenchment and that he has always selected for reduction neither junior nor inefficient men, but those who were always considered to be the best men in the interest of office work, but undesirable from his standpoint?

(c) How many appeals and representations against his orders on establishment matters have been received by the C. M. A. or the M. A. G. since his assuming charge of the office?

(d) Is it a fact that it has never been possible for the aggrieved persons to have their wrongs redressed? If not, in which cases were his orders reconsidered and altered by the C. M. A. or M. A. G.?

(e) Will the Government be pleased to state what action has been taken by the M. A. G. on the appeals from the clerks discharged from that office since April last and the compensation, if any, paid to them by his orders?

The Honourable Sir Basil Blackett: (a) Since notice of the question was first received inquiries have been made which show that there are no justifiable grounds for any discontent there may be on account of action taken under the orders of the Controller who is the responsible head of the office.

(b) The answer is in the negative. I understand that, before the Controller selected temporary clerks for discharge on reduction of establishment, due consideration was given to the merit and service of each clerk.

(c) Eight representations from discharged clerks have been received by the Military Accountant General.

(d) The answer is in the negative. Every clerk has the right to represent his case in person to the Controller and I am informed that the Controller has, in fact, granted interviews to several temporary clerks.

(e) Since April last six representations have been received by the Military Accountant General. In one case only did he see any reason to alter the Controller's decision and in that case the clerk has been reinstated. There was no justification for the grant of compensation in this instance.

DELIVERY OF POSTAL ARTICLES AT RAISINA.

880. ***Mr. Kumar Sankar Ray:** (a) Are the Government aware that the postal articles addressed to Indian clerks at Raisina are usually received with at least a day's delay because they are first received in the Raisina P. O. and then in the Havelock Square P. O. from where the delivery is made?

(b) Are not the postal officials expected to know that all the Indian clerks' quarters are in the jurisdiction of the Havelock Square P. O. and that the letters should be sent to the delivery P. O. direct?

(c) Do the Government propose to have only one delivery office at Raisina?

Sir Geoffrey Clarke: (a) No. Both the Raisina and Havelock Square post offices are delivery offices and postal articles intended for delivery from each of them are separately sorted by the Delhi head post office and sent direct to the respective offices. It is, however, possible that a few articles for either of these offices may find their way to the other and thus suffer a little delay.

(b) For purposes of the delivery of postal articles the Indian clerks' quarters situated in different Squares are divided between the post offices at Paharganj and Havelock Square. The sorters in the Delhi head post office know what Squares are served by each of those two offices. None of the Indian clerks' quarters is served through the Raisina post office.

(c) No.

RENT OF A D CLASS QUARTER AT RAISINA.

881. ***Mr. Kumar Sankar Ray:** (a) Will the Government be pleased to state the total amount of rent (including water, furniture and electricity charges) payable per mensem for a D Class quarter at Raisina by those in receipt of pay of Rs. 75 or 80?

(b) Are the Government also aware that the clerks of the moving offices have to pay rent for the full year at Simla in addition to the rent that they are required to pay for their Delhi quarters?

(c) Will the Government please state if it is correct that the quarters are to be sold or given on lease? If so, when and what concession or facilities will be allowed to the Secretariat establishments to purchase the houses?

The Honourable Sir Bhupendra Nath Mitra: (a) The rules sanctioned for the recovery of rent for the clerks' quarters at Raisina prescribe that a clerk drawing less than Rs. 100 per month will pay rent at 11 per cent. of his pay for the building and special services, the rent for furniture and the cost of water and electric current being paid in addition. The rent payable by a clerk on Rs. 75 occupying a D Class quarter is thus Rs. 8-4-0 per month for the building and special services. In addition to this he is required to pay Rs. 2-8-0 a month for rent of furniture if, at his option, he takes a furnished quarter. He also has to pay a fixed charge of 0-12-0 a month for filtered water and he pays for the electric current actually consumed at 0-3-0 a unit. A clerk getting Rs. 80 a month pays about 0-8-0 more per month than a clerk getting 75.

(b) It is not the case that all clerks of moving offices pay a full year's rent for Government accommodation at Simla. Those to whom the Simla Allowances Code applies enjoy the concession of rent free quarters or of a house allowance which they have at their own option elected to retain in lieu of free quarters. A certain number, however, to whom the Simla Allowances Code does not apply have to pay house rent for the full year at Simla.

(c) It is not correct.

CONCESSIONS FOR WAR SERVICES.

882. ***Mr. Kumar Sankar Ray:** (a) Is it a fact that a good many promises and hopes were held forth to those who served in the prosecution of the War and that some rewards and concessions were also sanctioned by the Government of India, but the concessions were actually granted in very rare cases, if at all, by the officers who were authorised to do so?

(b) Are the Government prepared to issue another set of instructions for the guidance of the heads of departments and for general information?

(c) Will the Government be pleased to state if the broken or continuous service in the prosecution of the War and in Military offices after the close of the War can be counted for leave, pension and increments after a candidate is appointed in permanent appointment in a civil department?

The Honourable Sir Alexander Muddiman: (a) I regret that I cannot give any answer as regards the promises and hopes held forth unless the Honourable Member will specify clearly to what promises and to what kind of war services he refers. In their Resolutions of 8th August 1919

and 15th September 1921 Government granted concessions in the matter of securing civil appointments to persons who had rendered service in connection with the prosecution of the war varying according to the nature of the service and in respect of pensions to persons who had rendered military service during the war. Government have no grounds for supposing that the concessions were not utilized as intended.

(b) No. Government are not aware that another set of instructions is required.

(c) I will send the Honourable Member a copy of the Resolution of 15th September 1921, which grants to those who rendered military services during the war certain concessions as to pensions. Concessions were also made to candidates for various Imperial services who had taken part in the war. Apart from this, service in the prosecution of the war and in Military Offices is governed by the general rules governing services rendered before permanent appointment.

ADDRESSES OF FIRMS MANUFACTURING ARTICLES OF INDIAN MANUFACTURE.

883. ***Mr. Kumar Sankar Ray:** (a) Will the Government be pleased to state if there is any publication or list issued by the Department of Industries or Stores Department which gives the addresses of the firms manufacturing articles of Indian manufacture in the various provinces?

(b) If the reply to the above be in the negative, will the Government be pleased to state if they are prepared to undertake this work for the information of the general public and Government purchasing departments and also in the interest of Indian industries?

The Honourable Sir Bhupendra Nath Mitra: (a) The answer is in the negative.

(b) Government will give this suggestion their consideration.

PENSIONS OF ARMY HEADQUARTERS DAFTARIES.

884. ***Mr. Kumar Sankar Ray:** (a) With reference to my starred question No. 2327 (relating to Army Headquarters Daftaries) of the last Simla session, will the Government please state the grounds on which they regard the appointments of daftaries in the Civil Secretariat as having a higher status in the face of their reply to clause (b) and also in view of the fact that there exists no differential treatment in respect of pay or pension in regard to other classes of menials employed both in the Secretariat and Army Headquarters?

(b) Will the Government quote authority under which 2 Government servants, of the same class, at the same station, performing similar duties, and getting the same rates of pay and increments, can be granted different rates of pension?

(c) Does not above apply to the case of daftaries of Army Headquarters only? If not, will the Government state the other services or appointments which are at present affected by it?

(d) Are the Government prepared to reconsider the case of the Army Headquarters daftaries for bringing their pension on a level with their Secretariat brethren?

Mr. E. Burdon: (a) and (b). The reason for the distinction is merely this that the Government of India not unnaturally regard the Secretariat offices as more important than the attached offices or other subordinate offices in the same place and therefore find it justifiable to spend more money on the former.

(c) The daftaries of other attached offices of the Government of India, e.g., Director-General, Indian Medical Service, Director, Intelligence Bureau, Director of Public Information, Indian Meteorological Department, etc., though in receipt of the same rates of pay as those in the Secretariat, receive a pension of Rs. 4 only per mensem.

(d) No.

CONSTRUCTION OF THE ISHURDI-PABNA-SADHUGANJ RAILWAY.

885. ***Mr. Kumar Sankar Ray:** (a) Do the Government contemplate the construction of the Ishurdi-Pabna-Sadhuganj Railway in north Bengal at an early date either themselves or through private enterprise?

(b) If the Government are contemplating doing it themselves, will any provision be made for its construction during the next financial year? If so, what is the nature of such provision?

Mr. G. G. Sim: A traffic survey of the proposed Ishurdi-Pabna-Sadhuganj Railway has been ordered. Pending the receipt of the results of the survey, Government are not in a position to state whether the construction of the line will be undertaken.

THE ARMY CANTEEN BOARD.

886. ***Mr. W. S. J. Willson:** (a) Have Government accepted the principle of Government trading?

(b) Does the need which Government stated existed for a Government run Canteen supply in the Frontier districts extend to the settled districts?

(c) Does the Canteen Board pay to Provincial Governments and Municipalities the same license fees and octrois as traders do?

(d) Are the salaries of all employees—civilian and military—debited to the Canteen Board or are any debited to Military Services?

(e) Is the cost of transport debited to the Canteen Board?

(f) Do the State Railways make any concessions to the Canteen Board in the matter of freight?

Mr. E. Burdon: (a) Government endeavour as far as possible to avoid competing with private trade. They consider, however, that the objections which are rightly taken to other forms of Government trading do not apply to the services which are rendered to the troops by the Army Canteen Board in India, or by the Navy, Army and Air Force institutes in the United Kingdom, and in places outside the United Kingdom where British forces are stationed.

(b) The need is greater in frontier stations which lack the ordinary commercial sources of supply, but speaking generally, it may be said that it is to the advantage of the troops to have the Army Canteen Board system in other military stations also. As noted in paragraph 51 of the 3rd Annual Report of the Board of Management of the Army Canteen Board, applications have been received from Officers Commanding Units

stationed in Central India requesting the Board to take over the conduct of their regimental institutes. Government have, however, limited the expansion of the Army Canteen Board to the Northern Command and certain stations in the Western Command. These constitute, for obvious reasons, the most suitable locality in which to place an organisation intended to provide for the contingencies of mobilization. Government do not intend at present to permit any further expansion. The essential purpose of expanding to the limits now authorised was to give the Army Canteen Board a sufficient range of business to support in peace time the overhead charges of the establishment which would be required in the event of war.

(c) The answer is in the affirmative.

(d) The salaries of all employees under the Board are debited to the Army Canteen Board (India).

(e) Yes.

(f) No.

INSUFFICIENCY OF RAILWAY CARRIAGES ON THE EAST INDIAN RAILWAY.

887. ***Mr. S. C. Ghose:** (a) Has the attention of the Government been drawn to the letter addressed to the Editor of the *Forward* by M. A. Rafay and published in that paper on the 24th October 1924 about the insufficiency of carriages in certain passenger trains of the East Indian Railway?

(b) Are the Government prepared to ask for an explanation from the railway authorities and also to issue instructions to the East Indian Railway to provide sufficient carriages for passengers?

Mr. G. G. Sim: (a) Government have seen the letter referred to.

(b) It is understood that this was due to a temporary shortage of stock caused by heavy demands elsewhere and that arrangements have been made which it is hoped will obviate further cause for complaint in this direction.

INSUFFICIENCY OF RAILWAY CARRIAGES ON THE EAST INDIAN RAILWAY.

888. ***Mr. S. C. Ghose:** (a) Has the attention of the Railway Board been drawn to the letter published in the *Forward* of the 17th October 1924 entitled "A Railway Grievance"?

(b) Will the Government give the reasons for providing insufficient carriages for passengers?

(c) If there were not sufficient carriages for passengers, will the Government state why tickets were issued to passengers who were in excess of the numbers which could be accommodated in the carriages?

(d) Has any compensation been paid to the Bengali gentleman who became insensible and had to be carried to the railway hospital for treatment?

Mr. G. G. Sim: (a) to (d). Government have not seen the particular letter referred to, but in this connection the Honourable Member's attention is invited to the reply given on the 22nd January 1925 to question No. 48.

TREATMENT OF EX-KING PREMPEH OF ASHANTI IN BOMBAY.

889. ***Mr. S. C. Ghose**: (a) Will the Government state the date of the arrival at Bombay of ex-King Prempeh of Ashanti from Seychelles and the steamer by which he arrived?

(b) Did the Government show any hospitality to ex-King Prempeh during the time he was in Bombay?

(c) Is it a fact that the custom authorities made a distinction in their treatment of the Political Agent who was a 1st class passenger and who accompanied ex-King Prempeh and the ex-King himself?

(d) On which date and by which steamer did the ex-King leave for England?

Mr. Denys Bray: Though the matter does not appear to be of any public interest, I am endeavouring to obtain the information which the Honourable Member seeks.

FLOOD IN THE UNITED PROVINCES.

890. ***Mr. S. C. Ghose**: (a) Has the Government of India received intimation from the Government of the United Provinces as to the extent of damage as regards the loss of human life, the loss of cattle and the destruction to property during the last flood?

(b) Did the Government of the United Provinces ask for any help from the Government of India?

Mr. J. W. Bhore: (a) No.

(b) The Government of the United Provinces have asked for an advance of Rs. 48,69,000 for the restoration of canal works, roads and bridges destroyed by the floods last year.

PROPORTION OF 7 PER CENT. LOAN FLOATED IN LONDON HELD BY INDIAN INVESTORS.

891. ***Mr. S. C. Ghose**: Will the Government state what amount of the 7 per cent. loan which was floated in London a few years ago is held by investors in India?

The Honourable Sir Basil Blackett: The Government have no information.

PROVINCIAL RESTRICTIONS ON THE OPENING OF BRANCH OFFICES BY CHARTERED ACCOUNTANTS AND CERTIFIED AUDITORS.

892. ***Mr. C. S. Ranga Iyer**: (a) Are the Government aware of the fact that Messrs. A. F. Ferguson and Company, Chartered Accountants of Bombay, have recently announced the opening of a branch office at Simla? If so, will the Government be pleased to state whether there is any restriction or not for opening of branch offices by professional accountants in different provinces?

(b) Is it not a fact that certified auditors holding permanent unrestricted certificate are required to obtain permission for the opening of branch offices?

(c) If the answer to (a) and (b) are in the affirmative, will the Government be pleased to explain the reasons for such differential treatment?

The Honourable Sir Charles Innes: (a) The Government have no information regarding the matter mentioned in the first part of the question. The reply to the second part is in the negative if, as is presumed, the Honourable Member refers to members of associations which have been notified under section 144 of the Companies Act, 1913.

(b) Yes.

(c) Under the Act it is for Local Governments to decide whether certified auditors should obtain permission for the opening of branch offices. Presumably they have made this rule because they desire to retain some measure of control over certified auditors.

Mr. E. G. Fleming: Is it customary for any Government to control the expansion of professional or commercial concerns already established within their territory?

The Honourable Sir Charles Innes: I think that depends upon the nature of the commercial concern. We adopt a special procedure in regard to certified auditors because we attach the very greatest importance to the proper auditing of accounts of public companies.

COLLEGES OF COMMERCE IN NORTHERN INDIA IMPARTING TRAINING IN ACCOUNTANCY.

893. ***Mr. C. S. Ranga Iyer:** (a) Are the Government aware of the fact that in Northern India comprising the United Provinces, Punjab, North West Frontier Province and Delhi, there is no Institute or College imparting accountancy education similar to that of the Sydenham College of Commerce, and the apprentices for G. D. A. examination from these provinces are compelled by the Accountancy Diploma Board to attend the class for two years at Bombay in accordance with the Regulations sanctioned by the Government of India in their No. 247, dated 6th March 1919, and notified by the Government of Bombay under notification No. 4751, dated 17th October 1919?

(b) If the reply to (a) be in the affirmative, the Government may be pleased to explain the reason for not allowing the apprentices from the said provinces to serve five years' articles instead of three as at present in order to cover two years attendance at the college or Institute?

The Honourable Sir Charles Innes: (a) There is an institute in Northern India, namely, the Faculty of Commerce, Lucknow University, Lucknow, which is recognised by the Accountancy Diploma Board. It is not correct that candidates from the United Provinces, etc., are required to attend the Sydenham College of Commerce, Bombay, to the exclusion of all other recognised institutions of which there are six.

(b) Therefore does not arise.

CASE OF M. ABDUL AZIZ, A GOODS CLERK ON THE NORTH WESTERN RAILWAY.

894. ***Mr. S. Sadiq Hasan:** Will Government be pleased to state:

(a) whether M. Abdul Aziz, a goods clerk in Lahore goods shed, was prosecuted in September, 1921, for theft of three cases of Scissors cigarettes, under section 381, I. P. C.?

(b) was he honourably acquitted by the trying Magistrate who held that the prosecution evidence against him was false?

- (c) If replies to (a) and (b) are in the affirmative, whether any departmental action was taken against the witnesses (Uttam Chand, Ganda Mal, Permeshri Das and Fazl Din), all employees of the goods shed, Lahore, Jullundar City and Jullundar Cantonment, who were found to have given false evidence in the case?

Mr. G. G. Sim: I propose to reply to this and the next six questions together.

Government have no information and, as the alleged occurrences are stated to have occurred four years ago, do not consider that any useful purpose would be served by making inquiries.

CASE OF **M. ABDUL AZIZ**, A GOODS CLERK ON THE NORTH WESTERN RAILWAY.

†895. ***Mr. S. Sadiq Hasan:** Will Government be pleased to state:

- (a) Whether it is a fact that Dina Nath, assistant goods clerk, was held by the trying Court to be an accomplice of Abdul Mazid (the real culprit in the case)?
- (b) Whether he still holds his original appointment in the goods shed?
- (c) If replies to (a) and (b) are in the affirmative, what are the circumstances which led to the retention in service of Dina Nath?

CASE OF **M. ABDUL AZIZ**, A GOODS CLERK ON THE NORTH WESTERN RAILWAY.

†896. ***Mr. S. Sadiq Hasan:** Will Government be pleased to state:

- (a) Whether M. Abdul Aziz was asked to explain why he did not obtain the sanction of his departmental officer, namely, the D. T. S., Lahore, previous to his applying to the Court for permission to prosecute false witnesses against him?
- (b) Whether on receipt of his explanation he was warned to obtain such sanction in similar circumstances in future?
- (c) If replies to (a) and (b) are in the affirmative, what other circumstances arose necessitating the issue of the subsequent order directing him to withdraw the proceedings against the said witnesses in Court? Is it also a fact that on his representing the matter to T. M. (the head of the Department) and advancing the point that proceedings once withdrawn from the Court cannot be restarted and asking for his final orders it was held by Mr. Sirkar, A. T. S., Commercial, that if he were permitted to prosecute witnesses against him people could not be had to witness in the interest of the Railway?
- (d) Will Government please also say whether M. Abdul Aziz was served with one month's notice of the termination of his services because he did not carry out the orders of the Department in this respect?

CASE OF **M. ABDUL AZIZ**, A GOODS CLERK ON THE NORTH WESTERN RAILWAY.

†897. ***Mr. S. Sadiq Hasan:** Will Government be pleased to state:

- (a) What departmental rules and regulations there are forbidding the prosecution of witnesses giving false evidence against a railway employee under trial?

- (b) If there are no such rules, under what circumstances was M. Abdul Aziz ordered to withdraw his application to the Court for permission to prosecute persons who gave false evidence against him?

CASE OF M. ABDUL AZIZ, A GOODS CLERK ON THE NORTH WESTERN RAILWAY.

†898. ***Mr. S. Sadiq Hasan:** Will Government be pleased to state whether it is a fact that M. Abdul Aziz was discharged on one month's notice while he was on sick leave and the period of notice was not counted from the date of expiry of his leave, as is done in such cases, but from the date of the notice while he was on such leave?

CASE OF M. ABDUL AZIZ, A GOODS CLERK ON THE NORTH WESTERN RAILWAY.

†899. ***Mr. S. Sadiq Hasan:** Will Government be pleased to state:

- (a) Whether any compensation was given to M. Abdul Aziz for the monetary loss suffered by him in defending a false and protracted prosecution?
- (b) If not, do the Government intend to make any such reparation to him?

CASE OF M. ABDUL AZIZ, A GOODS CLERK ON THE NORTH WESTERN RAILWAY.

†900. ***Mr. S. Sadiq Hasan:** Will Government be pleased to say whether they are prepared to send for the file of M. Abdul Aziz and reconsider the matter?

PURCHASE OF NATAL COAL FOR THE SUKKUR BARRAGE.

901. ***Mr. R. K. Shanmukham Chetty:** With reference to the answer given to question No. 647, on 2nd February 1925, about the purchase of Natal coal for the requirements of the Sukkur Barrage, will Government be pleased to state:

- (a) the exact part played by the Chief Controller of Stores in the transaction?
- (b) what were the points on which his advice was sought by the Chief Engineer of the Sukkur Barrage, and what was the advice given?

The Honourable Sir Bhupendra Nath Mitra: The connection of the Chief Controller of Stores with this transaction was brought about originally and primarily by the Chief Engineer, Lloyd Barrage and Canals. invoking his assistance in the settlement of the question as to the most suitable type of power plant to be used in connection with the construction of the works under the charge of that officer and in the preparation of specifications for the plant which it might be decided to instal.

After discussion of the question with the Superintending Engineer, Lloyd Barrage, a tentative decision as to the type of plant to be adopted was arrived at, but as one of the most important factors in determining the type of power plant was the price of fuel, it was agreed that before deciding finally on the type of the main units of power plant to be adopted, competitive tenders for coal and oil should be called for, and a recommendation to this effect was made to the Chief Engineer, Lloyd Barrage and Canals. The Chief Engineer, Lloyd Barrage and Canals, accepted this recommendation and asked the Chief Controller of Stores to invite competitive tenders on a sliding scale basis for the quantities of coal and oil which he estimated would be required during the period of the construction of the works, and to communicate the results and his advice after an examination of the tenders. When accepting the proposal the Chief Engineer, Lloyd Barrage and Canals, indicated the conditions which should be provided for in the contracts and the Chief Controller of Stores embodied these conditions in his invitations to tender. Tenders were invited in July 1924 and when received they were examined by the Chief Controller of Stores who communicated the results and his advice to the Chief Engineer, Lloyd Barrage and Canals.

The main points on which the advice of the Chief Controller of Stores was sought were:

- (a) After an examination of the tenders to advise what type of power plant should be adopted.
- (b) Having regard to the conditions to be met, prices tendered and other factors, if a contract for supply of fuel over the period of construction (estimated at 8 years) should be entered into.
- (c) After an examination of the tenders received, to advise which tenders he considered most satisfactory and recommended for acceptance.

The advice given on the above points by the Chief Controller of Stores was:

- (a) That the tendered prices confirmed the tentative decision to adopt oil engines for the main power plant at Sukkur and coal burning for certain subsidiary plant.
- (b) That a contract for the supply of coal over the whole period of construction was not advisable at this stage and he recommended that, until matters had become more stable in the coal trade, long period contracts should not be entered into.
- (c) That after examining the tenders received, with due regard to the conditions of contract, he considered the tender of Messrs. Cowasjee and Sons for South African coal at Rs. 25 per ton F. O. R. Karachi, was the most satisfactory tender, but he suggested that the Chief Engineer, Lloyd Barrage and Canals, should discuss the contract with the firm and satisfy himself as to the firm's standing and reliability and also that the firm fully appreciated their obligations under the contract.

Mr. R. K. Shanmukham Chetty: Are we then to understand that the Chief Controller of Stores advised the Engineer of the Sukkur Barrage to purchase South African coal in preference to Indian coal? Was the coal purchased distinctly on the advice of the Chief Controller of Stores?

The Honourable Sir Bhupendra Nath Mitra: I have already given the Honourable Member the fullest facts of the case and he can form his own conclusions from the facts placed before him.

Mr. R. K. Shanmukham Chetty: From the answer given by my Honourable friend I understand that the contract was entered into by the Engineer of the Sukkur Barrage on the distinct advice of the Chief Controller of Stores. May I ask my Honourable friend whether, as a consequence of a Resolution passed by this House last year, the Government have not referred to the Tariff Board the question whether Indian coal requires protection as against foreign coal?

Mr. President: That does not arise.

Mr. R. K. Shanmukham Chetty: This is the preliminary point, Sir.

Mr. President: It is not preliminary but irrelevant.

Mr. K. C. Neogy: Will the Honourable Member inquire from the Chief Controller of Stores as to whether he had compared the calorific value of South African coal, as disclosed in the report of the South African Government, with the calorific value of the Indian coal which was tendered in connection with this transaction?

The Honourable Sir Bhupendra Nath Mitra: The question raised by the Honourable Member is not one for the consideration of the Government of India. The advice was given by the Chief Controller of Stores to an officer of the Bombay Government.

Mr. R. K. Shanmukham Chetty: Will the Government kindly instruct the Chief Controller of Stores not to do anything which will handicap the Indian coal industry pending the decisions of the Tariff Board on the matters now under discussion?

The Honourable Sir Bhupendra Nath Mitra: The Chief Controller of Stores has already been told to confine his activities to matters handed over to him.

Mr. R. K. Shanmukham Chetty: Are we then to understand, Sir, that this advice that the Chief Controller of Stores gave to the Engineer of the Sukkur Barrage is beyond the duties that have been entrusted to him?

The Honourable Sir Bhupendra Nath Mitra: So far as the Government of India are concerned.

Mr. R. K. Shanmukham Chetty: Did he do it in his private capacity or as a Government servant?

The Honourable Sir Bhupendra Nath Mitra: He did it as a Government servant undoubtedly, but whether it was proper or not for the Chief Engineer, Sukkur Barrage and Canals, to consult him in the matter I am not in a position to offer any opinion on.

Mr. K. C. Neogy: Do the Government of India exercise any control over the Chief Controller of Stores in regard to matters on which his advice may be called for by any Provincial Government?

The Honourable Sir Bhupendra Nath Mitra: No. If the advice is called for direct, it is obvious that the Government of India cannot interfere.

Mr. W. S. J. Willson: Arising out of your previous answer, do I understand that the Government of India disapprove of an expert, such as the Chief Controller of Stores, passing on any information of value he may have to an engineer in charge of works? And has it not been laid down in this House that goods are to be purchased in the best market and at the best price?

The Honourable Sir Bhupendra Nath Mitra: There is no objection to any Provincial Government consulting any expert officer of the Government of India in any matter on which the Local Government may want his opinion. But there is a certain allocation of duties among the various expert officers of the Government of India and that explains the reply I previously gave to this House.

Mr. K. C. Neogy: Has the Honourable Member any objection to publishing the letter of the Chief Controller of Stores to the Chief Engineer, Sukkur Barrage, in which he made the recommendation in favour of South African coal?

The Honourable Sir Bhupendra Nath Mitra: Not having seen the precise terms of the letter, I am not in a position to give the Honourable Member any assurance on that point.

Mr. Gaya Prasad Singh: Will the Honourable Member call for that letter?

Mr. President: Honourable Members will see from the unsatisfactory nature of this discussion that the proper place for ventilating this matter is the Bombay Legislative Council. It so happens that the Department in question has a certain responsibility in the precise matter raised by this question and therefore the question was admitted; but, as the operative decision lay in the hands of the Government of Bombay, the Bombay Legislative Council is the proper place for these questions.

NON-OFFICIAL RESOLUTIONS ADOPTED BY THE ASSEMBLY AND ACTION TAKEN BY GOVERNMENT THEREON.

902. ***Mr. R. K. Shanmukham Chetty:** Will Government be pleased to lay on the table a list of the Resolutions passed in this House during the year 1924 at the instance of non-official members, and the action taken by Government on each of those Resolutions?

Mr. L. Graham: The information asked for by the Honourable Member concerns several Departments of Government and is being collected. A statement will be laid on the table when the information has been collected.

SURPLUS SALT IN MADRAS.

903. ***Haji S. A. K. Jeelani:** (a) Will the Government be pleased to state whether it is a fact that a large quantity of unsold stocks of salt was lying in the Madras salt factories till recently as a result of over-production from the year 1919?

(b) Is it a fact that those stocks have been recently disposed of at very low prices, the lessees losing heavily on that account?

(c) Is it a fact that when the Government wanted in the year 1917 to enlarge the production of salt for export purposes certain lessees had been persuaded by the Government to undertake increased production?

(d) Is it a fact that those lessees, owing to the heavy losses they had suffered, have applied to the Government for compensation or relief? If so, with what result?

(e) Notwithstanding the difficulties experienced by the lessees on account of over-production in the past, is it a fact that fresh lands have been assigned in the Ganjam District for salt manufacture?

(f) Is it a fact that some licensees in the Madras Tuticorin Circle have not considered it worth while to manufacture salt owing to its selling price being less than its cost price?

(g) Is it a fact that salt is being imported into Madras from foreign countries and that such imports are not taxed by the Customs Department?

The Honourable Sir Basil Blackett: The information asked for by the Honourable Member is being obtained and will be furnished to him in due course.

STANDARDIZATION OF WEIGHTS AND MEASURES.

904. ***Haji S. A. K. Jeelani:** (a) Will the Government be pleased to state what are the different standards of weights and measures fixed for different provinces by the Government of India?

(b) Has any proposal been made to the Government to reduce all weights and measures to a uniform standard, if so, with what result? If not, do the Government propose to consider that proposal?

The Honourable Sir Charles Innes: (a) No standards of weights and measures have been fixed by the Government of India for the different provinces.

(b) The Government of India fully considered in 1921 the question of the feasibility of introducing uniform weights and measures throughout India and their conclusions are stated in the Commerce Department Resolution No. 9, dated the 3rd January 1922, which was published in the Supplement to the Gazette of India of the 7th idem. The Honourable Member is referred to this Resolution and also to Mr. Lindsay's speech in the Council of State on the 23rd September, 1921, in connection with Dr. Ganganath Jha's Resolution on the subject.

D. CHARGE OF OFFICERS ON THE EAST INDIAN RAILWAY SINCE ITS TRANSFER TO STATE MANAGEMENT.

905. ***Haji S. A. K. Jeelani:** (a) Will the Government be pleased to state as a result of the assumption by the Government of India of the management of the East Indian Railway how many officers in all have been served with notices dispensing with their services?

(b) What is the respective nationality of each?

(c) What was the pay each officer was drawing?

(d) For what reasons have their services been dispensed with?

(e) Do the Government propose to fill up those vacancies or abolish the offices altogether?

Mr. G. G. Sim: (a) Five.

(b) Two Europeans and three Indians.

(c) Rs. 800, 675, 650, 550 and 425 per mensem, respectively.

(d) Inefficiency.

(e) Owing to the proposed amalgamation of the East Indian Railway and the Oudh and Rohilkhand Railway it is uncertain if there will be any vacancies on the amalgamated lines and no statement can be made at present.

VERNACULAR TESTS PRESCRIBED FOR MEMBERS OF THE INDIAN
CIVIL SERVICE.

906. ***Haji S. A. K. Jeelani:** (a) Will the Government be pleased to state whether it is a fact that members of the Indian Civil Service are required to undergo a test in the languages of the country, if so for what reasons?

(b) Are the Government prepared to take steps to ensure a working knowledge at least of the languages of the Provinces by the European members of the Indian Civil Service?

The Honourable Sir Alexander Muddiman: (a) Yes, in order to aid them in carrying on the work of administration.

(b) The Government of India understand that the necessary steps have been taken by the Local Governments who are primarily concerned with the matter.

SALE OF STAMPS AT POST OFFICES ON SUNDAYS AND POST OFFICE
HOLIDAYS.

907. ***Khan Bahadur W. M. Hussanally:** (a) With reference to the answer given by the Honourable Sir Bhupendra Nath Mitra to my supplementary question to question No. 667 on 3rd February 1925, will Government please state if it is a fact that no stamps are sold to the public at post offices on Sundays and post office holidays?

(b) If it is not a fact will Government state at what post offices are stamps available for sale to the public?

The Honourable Sir Bhupendra Nath Mitra: (a) and (b). The general practice in the Department is that postage stamps are for sale during certain hours on Sundays and other post office holidays in certain offices in the more important towns. Orders are now being issued that stamps should be sold in small quantities on Sundays and other post office holidays during the hours when a post office is kept open for delivery work.

SALE OF POSTAL LABELS.

908. ***Khan Bahadur W. M. Hussanally:** (a) Will Government please make inquiries if it is not a fact that the sale of postal labels only at post offices causes very great inconvenience to the trade and the general public?

(b) If the procedure is an inconvenience do Government propose to remove the same?

The Honourable Sir Bhupendra Nath Mitra: (a) The Honourable Member is referred to part (b) of the reply I gave on the 3rd February 1925 to Mr. Lohokare's starred question No. 667.

(b) Does not arise.

RESOLUTIONS OF THE RAILWAY PASSENGERS' CONFERENCE.

909. ***Kumar Ganganand Sinha**: Will the Government be pleased to state if they have received a copy of ten resolutions passed by the Railway Passengers' Conference which was held at Sonapur on the 11th November 1924, under the presidency of Mr. Gaya Prasad Singh, M. L. A., and if they propose to take any step in the matter?

Mr. G. G. Sim: Government have received copies of the resolutions mentioned. The Agents of the railways concerned are fully competent with the assistance of their Advisory Committees to deal with the matters referred to and in the circumstances Government do not propose to take any action.

Mr. Gaya Prasad Singh: Is it not a fact, Sir, that railway advisory committees are merely nominated bodies?

Mr. G. G. Sim: No, Sir.

Maulvi Mohammad Shafee: How are the members of the advisory committee nominated?

Mr. G. G. Sim: That information has been given in reply to many questions, but if the Honourable Member wishes a statement regarding each railway, I will supply it to him.

Mr. Gaya Prasad Singh: Are Government quite sure that these bodies are not nominated bodies?

Mr. G. G. Sim: They are not entirely nominated bodies.

Mr. B. Das: Do I understand, Sir, that the railways always consult these advisory boards?

Mr. G. G. Sim: Yes, they have meetings at fixed intervals—I think almost every month.

Mr. Gaya Prasad Singh: No, Sir. I think once in three months.

Mr. G. G. Sim: If the Honourable Member knows the reply, I do not see any reason why he should ask me the question.

Mr. Gaya Prasad Singh: That was not my question. But is it a fact that the proposals of the advisory committees have no binding effect on the railways concerned?

Mr. G. G. Sim: The Committees are advisory committees.

Mr. Gaya Prasad Singh: What is the use, Sir, of referring us to these advisory committees whose proposals have no binding value?

Mr. G. G. Sim: But they do give very useful advice and action is frequently taken on their advice.

THE BIHAR LIGHT HORSE.

910. ***Mr. Gaya Prasad Singh**: (a) With reference to my question No. 64 of the 23rd January, 1925, will the Government be pleased to state in what year the Bihar Light Horse was formed; and also give a statement, showing the numerical strength of the unit, and expenditure, if any, year by year, which Government had to incur under main heads together with the total amount expended up to date?

(b) Was there any occasion on which the Bihar Light Horse was called out? And if so, when, and under what circumstances, together with the costs involved, if any?

Mr. E. Burdon: (a) The Bihar Light Horse was originally formed as the Bihar Mounted Rifle Corps on the 8th December, 1862. Its designation was changed to that of the Bihar Light Horse on the 29th February, 1884.

The information asked for in the second part of this question, so far as it is readily available, is given in the statement laid on the table.

(b) The Government of India have no information on this point. So far as they are aware, the Bihar Light Horse was not called out at any time during the last four years.

Statement showing (i) the numerical strength of the Bihar Light Horse from 1918—1924 and (ii) the annual expenditure incurred in respect of this unit.

(i) NUMERICAL STRENGTH.

	British Officers.	Other ranks.
1918	18	240
1919	15	232
1920	14	311
1921	18	367
1922	19	405
1923	17	395
1924	16	364

(ii) EXPENDITURE.

	Rs.
1923	1,82,767
1924 (to end of December 1924)	81,815

As the expenditure in respect of the Bihar Light Horse is not recorded separately in the accounts, the information asked for in respect of the period prior to 1923 is, it is regretted, not readily available. The collection of it would involve considerable labour on the part of the local military accounts authorities and, in the opinion of the Government of India, would not be justified by the result.

EXTENSION OF THE LEE COMMISSION'S RECOMMENDATIONS TO MEMBERS OF THE PROVINCIAL SERVICES AND THOSE OF THE IMPERIAL SERVICES OF ASIATIC DOMICILE.

911. ***Sardar Gulab Singh:** (a) Has the attention of the Government been drawn to the letter of Lord Ampthill published in the *Times*, an extract of which has been published in the *Pioneer*, dated 28th January, 1925, advocating that the Lee Commission recommendations should be extended to the members of the Imperial services of Asiatic domicile as well as to the members of the provincial services?

(b) If so will the Government be pleased to state whether any such proposal is under the contemplation of the Government of India?

The Honourable Sir Alexander Muddiman: (a) and (b). I have seen a reference to a letter in which Lord Amptmill is said to have advocated the extension of the recommendations to officers of non-Asiatic domicile in the provincial services, but I have seen no letter in which the proposal referred to in the Honourable Member's question has been advocated. I may, however, add that certain of the recommendations made by the Commission have already been extended to members of all-India and Superior Central Services who have an Asiatic domicile.

AMENDMENT OF THE NOTE TO RULE 87 OF THE FUNDAMENTAL RULES.

912. ***Haji S. A. K. Jeelani:** Will the Government be pleased to state:

- (1) whether it is a fact that Fundamental Rule 87 has been recently amended by the Secretary of State;
- (2) whether the effect of the amendment is to deprive the non-gazetted officers not only of the concession allowed to them in the note now deleted but also of the right of drawing average pay;
- (3) whether it is a fact that this same question came up before the Delhi Conference, and that Conference voted down the suggestion to treat substantive pay as the average pay for non-gazetted officers as impossible and unjust;
- (4) whether the Government of India agreed with the conclusion of the Conference and if so how this order was passed by the Secretary of State;
- (5) whether representations have been received from Service Associations and officers protesting against the change and praying for the restoration of the original note; and
- (6) whether the Government of India propose to move the Secretary of State to rescind his order.

The Honourable Sir Basil Blackett: (1) The Rule itself has not been altered, but the note under it has recently been amended by the Secretary of State in Council.

(2) The amended note takes away from certain non-gazetted officers a concession admissible under the old note, and the amendment will in some cases have the effect of preventing officers from drawing leave salary calculated on average pay.

(3) and (4). I gather that by "the Delhi Conference" the Honourable Member means a meeting of representatives of Local Governments held in November 1923 in Delhi to consider certain questions relating to the leave rules. If so, his information as to what took place is not quite accurate. The conference expressed the view that the Note under Fundamental Rule 87 caused unnecessary expenditure and recommended that it should be either modified or cancelled. The Government of India accepted that recommendation, and it was they who moved the Secretary of State in Council to make the amendment now in question.

(5) The Government of India have so far received only one such representation.

(6) The Government do not propose to take the action suggested.

OFFICERS IN THE MILITARY ACCOUNTS DEPARTMENT DRAWING
Rs. 550—850.

913. ***Haji S. A. K. Jeelani**: Will the Government be pleased to state :

- (a) How many officers on Rs. 550—850 are there in the Military Accounts Department? Of these how many are Indians of whom how many are Muhammadans?
- (b) of these Indian officers how many are there pending retirement?
- (c) whether these officers on completion of their leave would reach their 55th year, if not whether the leave pending retirement granted to those officers was on medical certificate as required by Articles 442 and 443, C. S. R.?

The Honourable Sir Basil Blackett: (a) There are 87 permanent and 19 temporary officers in the Military Accounts Department on a salary of Rs. 550—850. Of this number 70 are of full Indian descent and one of these is a Muhammadan.

(b) Four are on leave pending retirement.

(c) One will have completed 55 years of service on expiry of his leave. In two cases leave has been granted on medical grounds pending retirement after 30 years' service. In the fourth case retirement at the end of leave has been ordered for disciplinary reasons.

Mr. K. Ahmed: In view of the fact, Sir, that four officers are going to retire shortly, do Government propose to substitute these four officers by Muhammadans? There is only one Muhammadan out of 70 Indians.

The Honourable Sir Basil Blackett: I am quite sure that the Government will be very glad to appoint suitable Muhammadan candidates.

PROMOTION TO SUPERINTENDENT OF THE OFFICER IN THE COMMERCE
DEPARTMENT REDUCED FOR CERTAIN IRREGULARITIES.

914. ***Mr. B. Das**: (a) With reference to the Honourable the Commerce Member's answer to Sardar Mutalik's question No. 2250 in the last September session to the effect that a provisionally permanent Assistant Secretary in his Department had irregularly authorised the payment of advances to himself and was in consequence *reverted* to his substantive grade of First Division clerk, will the Honourable Member please state whether it is a fact that the officer in question was, at the time of the award of the punishment, on leave, and whether directly on his return from leave he was again promoted, practically permanently, to a gazetted post and did not work *as a clerk* in the Department even for a day?

(b) If the answer to the above is in the affirmative, will the Honourable Member please state the reasons for mitigating the effect of the punishment awarded?

The Honourable Sir Charles Innes: (a) and (b). It is not the fact that the officer in question was promoted to a gazetted post immediately on return from leave. A Superintendent unexpectedly died and the officer in question was subsequently made provisionally permanent in that grade as the Head of the Department considered he was the officer in the Department most suitable for the Superintendent's grade. His punishment has not been mitigated. The order of reversion did not debar him from opportunities of promotion which might occur.

**DELAY IN THE SUBMISSION OF HIS ACCOUNTS BY THE SECRETARY OF THE
DECK PASSENGER COMMITTEE.**

915. ***Mr. B. Das:** Will the Honourable the Finance Member please state:

Whether there was any inordinate delay on the part of the Secretary, Deck Passenger Committee of 1920-21, in the submission of the accounts of the Committee, and whether the matter was brought to the notice of the Government of India by the Auditor General? If so, will the Honourable Member please state what disciplinary action, if any, was taken against the officer concerned?

The Honourable Sir Charles Innes: The facts are generally as stated. The officer's confirmation was stopped, and after further inquiries into other matters, he was reverted as has already been explained.

**PAYMENTS OF CLAIMS FOR GOODS LOST OR STOLEN ON INDIAN
RAILWAYS.**

916. ***Khan Bahadur W. M. Hussanally:** (a) Will Government please state what was the total amount paid to the public as claims for goods lost or stolen on Indian Railways during the last three years separately?

(b) What is the total annual cost of the Claims Department of Indian Railways?

(c) What is the annual cost of Indian railway police and chowkidars?

(d) Do Government propose to adopt any special measures with a view to eliminate or reduce the heavy loss to the tax-payer in respect of payments on account of such claims?

Mr. G. G. Sim: (a) to (d). The attention of the Honourable Member is drawn to paragraphs 39 and 40 of Volume I and to Appendix E of Volume II of the Report by the Railway Board on Indian Railways for 1923-24 and to Volume II of the report for 1922-23 which contains all the information available.

THE STATION MASTER OF SIMLA.

917. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that until recently there was an Indian Station Master at Simla?

(b) That on his retirement the appointment was bestowed upon a European Guard in preference to other senior Indians and Anglo-Indians?

(c) What were the special reasons for making this appointment?

(d) Is it a fact that the N. W. R. Union protested against this appointment?

(e) If so, what was the result of the protest?

Mr. G. G. Sim: (a) Yes.

(b) and (c). The selection of men for subordinate appointments is left to Railway Administrations who are in the best position to judge of their relative merits. Government are not aware of the reasons for the particular selection in this case.

(d) and (e). Government have no information.

CORRUPTION AND BLACKMAIL ON INDIAN RAILWAYS.

918. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that the N. W. R. Union recently passed a Resolution to the effect that the Departmental enquiries into the complaints of bribery and blackmail of the staff against their superiors should be held jointly by the representatives of the Union and the Railway Administration? And is it a fact that the Agent in reply to that Resolution expressed his inability to do anything in the matter for want of suitable evidence in such cases and considered that the association of members of the Union in any such enquiry was not likely to obtain any such evidence?

(b) If this be a fact what steps do Government propose to take to put down corruption and blackmail on Indian Railways?

Mr. G. G. Sim: (a) and (b). The Government have no information. If such a resolution was passed by the Railway Union the Government think that the Agent was thoroughly justified in rejecting the suggestion. Agents must be trusted to take all possible measures to put down the practices referred to if they exist.

EXPENDITURE BY THE NORTH WESTERN RAILWAY ON THE EDUCATION OF THE CHILDREN OF THEIR EUROPEAN, ANGLO-INDIAN AND INDIAN EMPLOYEES.

919. ***Khan Bahadur W. M. Hussanally:** What is the annual expenditure of the N. W. R. on the education of the children (a) of European and Anglo-Indian employees, (b) of Indian employees including passes granted to children? What is the cost per head of each class?

Mr. G. G. Sim: The expenditure by the North Western Railway on the education of the children of European and Anglo-Indian employees during 1923-24 was Rs. 1,60,333 and of Indian employees Rs. 15,418. The cost per head of each class is Rs. 132 and Rs. 15 respectively.

The value of the passes granted to children is not known.

INDIAN STATION MASTERS AND GUARDS ON THE NORTH WESTERN RAILWAY.

920. ***Khan Bahadur W. M. Hussanally:** (a) How many Indian (excluding statutory Indians) station masters are in charge of first class stations on the N. W. R. and how many Europeans and Anglo-Indians?

(b) How many Indian (excluding statutory Indians) guards run with mail and fast passenger trains on the N. W. R. and how many Europeans and Anglo-Indians?

(c) What is the reason for the disparity?

Mr. G. G. Sim: The Honourable Member is referred to the statistics given in Chapter V of the Report by the Railway Board on Indian Railways for 1923-24 showing the numbers by Departments of subordinate staff on Indian Railways classified under European, Anglo-Indian, Muslim and non-Muslims. The Government have no further statistics and do not propose to call for statistics in any greater detail.

COMPULSORY RETURN TICKETS FOR HAJ PILGRIMS.

921. ***Khan Bahadur W. M. Hussanally:** (a) Since when has the system of compulsory return tickets for the Hedjaz been introduced by executive order?

(b) How many such tickets have been issued up to date and of what value?

(c) How many of such tickets and of what value have been utilized?

(d) How many and of what value lapsed?

(e) With whom is that money?

(f) How do Government propose to utilize that money?

Mr. J. W. Bhore: (a) No system of compulsory return tickets has been introduced in India by Government.

(b), (c), (d), (e) and (f). Do not arise.

REPATRIATION OF HAJ PILGRIMS.

922. ***Khan Bahadur W. M. Hussanally:** (a) How many indigent pilgrims were expatriated from the Hedjaz during each of the last three Haj seasons?

(b) What was the cost of such expatriation during each of the three years?

(c) Who bore that cost?

Mr. J. W. Bhore: (a), (b) and (c). The Honourable Member is referred to the statement laid on the table on the 9th February, 1925, in reply to Maulvi Mohammad Shafee's starred question No. 818.

LOAN OF STATE RAILWAY OFFICERS TO INDIAN RAILWAY COMPANIES
AND INDIAN STATE ADMINISTRATIONS.

923. ***Mr. E. F. Sykes:** Will the Government kindly state:

(a) (i) How many State Railway officers have been lent to Indian Railway Companies and Indian State Administrations?

(ii) Whether these officers are surplus to the requirements of State Railways and if so, why they were appointed?

(b) Are the Government prepared to undertake to restrict recruiting in future to the requirements of State Railways and to absorb the lent officers as early as possible?

Mr. G. G. Sim: (a) (i) The Honourable Member will find the names of the officers referred to in the Classified List, a copy of which is in the Library.

(a) (ii) and (b). The requirements of State Railways necessarily fluctuate in accordance with the construction and other special work in progress. The officers referred to are not ordinarily surplus although it may be possible temporarily to spare them. It is in the interests of Government that they should whenever possible lend officers to Companies who are managing State-owned Railways.

RECRUITMENT OF OFFICERS OF THE RAILWAY BOARD.

924. ***Mr. E. F. Sykes:** (a) Will the Government be pleased to say how many officers employed in the Railway Board and its Directorates are drawn from the staffs of Companies and Indian State Administrations?

(b) Whether any officers qualified for these appointments are to be found among the staffs referred to?

(c) If the answer to (b) is in the affirmative, are the Government prepared to undertake to recruit a due proportion of the Railway Board and its Directorates from such staffs?

Mr. G. G. Sim: (a) Of the officers employed in the Railway Board two are retired officers of Companies, two are drawn from the staff of Companies and 11 from those of State Railways.

(b) and (c). The most suitable officers from the staff of both Company-worked and State Railways are selected for appointments to the Railway Board and Government cannot undertake to fix any proportionate recruitment from any particular source.

RECRUITMENT OF GOVERNMENT INSPECTORS OF RAILWAYS.

925. ***Mr. E. F. Sykes:** Will the Government kindly state:

(a) How many of the present Government Inspectors of Railways are drawn from the staffs of Indian Railway Companies and Indian State Administrations?

(b) Are any officers qualified for these appointments to be found among the staffs referred to?

(c) If the answer to (b) is in the affirmative, are the Government prepared to undertake to make a due proportion of such appointments by selection from these staffs?

Mr. G. G. Sim: (a) There are 8 Government Inspectors of Railways who are drawn from the staff of Indian State Railways.

(b) and (c). As an important part of the Government Inspectors' duties relates to the protection of Government interests on Company-worked lines it is considered necessary that officers holding these posts shall be drawn from the staff of State Railways.

PROVISION OF A SEABOARD FOR BIHAR AND ORISSA.

926. ***Mr. B. Das:** (a) Is it not a fact that in the famous despatch of the Government of India of 25th August, 1911, to the Secretary of State on the formation of the province of Bihar and Orissa the following grounds were advanced for joining Orissa with Bihar?

Para. 20 * * * * "The Ooriyas, like the Biharis, have little in common with the Bengalis, and we propose to leave Orissa (and the Sambalpur District) with Bihar and Chota Nagpur. We believe that this arrangement will accord with popular sentiment in Orissa, and *will be welcome to Bihar* as presenting a seaboard to that province." * * * *

(b) Have Government taken any steps so far to provide this seaboard to B. and O. Province?

(c) Will Government be pleased to state whether the Government of B. and O. did approach the Government of India to provide this seaboard to that Province?

(d) Will Government be pleased to lay on the table all correspondence on the subject with the Government of B. and O.?

The Honourable Sir Charles Innes: I propose, Sir, with your permission to reply to questions Nos. 926, 928 and 929 together.

The despatch of August, 1911, merely stated a geographical fact, namely, that one of the boundaries of the new Province would be the sea. This is the case. The development of any of the small ports on that seaboard is a matter for the Local Government, and the Government of India have not intervened in the matter. There has been no correspondence either with the Bengal Nagpur Railway or the Calcutta Port Commissioners in recent years.

As regards the survey of Dhamrah Port, I invite the Honourable Member's attention to the answer which will be given to question No. 927.

Mr. B. Das: Am I to understand from the statement that the Honourable Member has made that seaboard means only the seaboard and no provision for a port?

The Honourable Sir Charles Innes: I believe, Sir, that is the correct meaning of the word "seaboard".

Mr. B. Das: Then may I know, Sir, whether the Government of India of the time wanted to provide the people of Bihar with sea baths on the Orissa coast and not with ports?

The Honourable Sir Charles Innes: If the Local Government wants a port, it is open to it to make one.

Mr. Gaya Prasad Singh: Have the Government of India received any proposals from the Government of Bihar and Orissa with regard to the provision of a port?

The Honourable Sir Charles Innes: I think we had some correspondence about False Point about two years ago. There, again, the Government of India suggested that it was a matter for the Local Government to decide.

Mr. Gaya Prasad Singh: Have they overruled the proposal of the Government of Bihar and Orissa.

The Honourable Sir Charles Innes: I must remind the Honourable Member that under the Devolution Rules only the major ports are a central subject and the minor ports are a provincial subject.

DEVELOPMENT OF DHAMRAH AS THE PORT OF BIHAR AND ORISSA.

927. ***Mr. B. Das:** (a) Is it a fact that the Government of B. and O. are anxious to develop Dhamrah on the Orissa Coast as the Port of the Province?

(b) Were the Government of India approached to send a marine expert to carry out a survey of this proposed port at Dhamrah?

(c) Will Government be pleased to state whether it is their intention to carry out a survey of this port at an early date?

Mr. E. Burdon: (a) to (c). The Government of Bihar and Orissa asked the Government of India last April whether the Royal Indian Marine could carry out a survey of the mouth of the Dhamrah River, as the Local Govern-

ment wished to ascertain what possibilities there were of developing the harbour in that river. The Government of India replied that owing to an already full programme the Marine Survey of India could not undertake the re-survey of the river before the cold weather of 1927-28. They suggested that the Local Government should endeavour to employ some other agency for the work.

Mr. B. Das: In view of the long period that the matter has already been under the consideration of the Government of India, may I request the Honourable Member to expedite the matter and send an expert earlier than 1927-28?

Mr. E. Burdon: It is impossible to do so, as all the ships are fully occupied in work already promised for other Local Governments.

PROVISION OF A SEABOARD FOR BIHAR AND ORISSA.

†928. ***Mr. B. Das:** (a) Is it a fact that the B. N. Railway authorities and the Calcutta Port Trust are opposed to any separate seaboard for B. and O.?

(b) Will Government be pleased to lay on the table all correspondence with the Agent of the B. N. Railway and the Port Commissioners of Calcutta on this subject?

PROVISION OF A SEABOARD FOR BIHAR AND ORISSA.

†929. ***Mr. B. Das:** (a) Will Government be pleased to state if they are going to stand by the spirit of the famous despatch of the Government of India of 25th August 1911, to the Secretary of State on the formation of the Province of Bihar and Orissa and take early steps to provide a seaboard to the province of B. and O.?

(b) Do they intend to take steps to send a Government of India marine expert (preferably not connected with the Calcutta Port Trust) to carry out the survey of the Dhamrah Port?

PRICE OF STATIONERY SOLD TO MEMBERS OF THE LEGISLATIVE ASSEMBLY.

930. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that the price of paper has fallen since the war? If so, by how much?

(b) Is it a fact that the Government have recently raised the price of stationery sold to Members of the Assembly? If so, by how much?

(c) What are the reasons for the increase?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes. The price of the high quality writing paper supplied to Members of the Legislative Assembly has fallen since 1918 by nearly twelve per cent.

(b) Yes, I place on the table a schedule showing the alterations made.

(c) The increased price is due largely to a more correct calculation of the cost of printing, embossing and packing. It must also be remembered that with effect from the 1st April, 1924, customs duty at fifteen per cent. is being paid by Government on imported paper.

† For the Answer to this Question—see below question No. 926.

Schedule showing the alterations made in the price of Stationery sold to the Members of the Legislative Assembly.

	(Per hundred.)	
	Rs. A.	Rs. A.
Note paper, embossed, small post, 8 Vo. fly	1 8	to 1 12
Ditto single sheets	0 15	to 1 3
Ditto large post, 8 Vo. fly	1 14	to 2 9
Ditto single sheets	1 3	to 1 10
Ditto quarto post, fly	2 5	to 4 4
Ditto single sheets	1 6	to 2 5
Paper cream wove foolscap	1 2	to 1 0
Envelopes, small post	1 12	to 1 13
Do. large post	2 2	to 2 6
Do. quarto post	2 14	to 3 6
Do. manilla 14" x 5"	no change.	
Do. manilla 10" x 4½"	0 12	to 1 8

Mr. C. Duraiswami Aiyangar: Will I be right, Sir, if I suggest that the reason for the increase in the price of stationery is to take back any surplus in the allowances granted to Members?

The Honourable Sir Bhupendra Nath Mitra: I am sorry, Sir, I did not catch the Honourable Member's question.

Mr. C. Duraiswami Aiyangar: It is not necessary to answer it.

UNSTARRED QUESTIONS AND ANSWERS.

LOCAL ALLOWANCES OF POSTAL CLERKS IN SIMLA.

129. **Mr. Devaki Prasad Sinha:** 1. Is it a fact that the scale of pay sanctioned for the postal clerks at Delhi and Lahore is Rs. 45—140 and that at Simla Rs. 40—130? If so, what is the reason for sanctioning a lower scale for Simla?

2. Is it a fact that after introduction of the time-scale of pay a local allowance for Simla, 33½ per cent. for the lower grade and 30 per cent. for the upper grade, has been sanctioned with a minimum of Rs. 25 and a maximum of Rs. 75 a month?

3. Is it a fact that this local allowance is not sanctioned for the clerks of the same grades working in the plains like Lahore and Delhi?

4. Is it a fact that at Simla the postal clerks up to Rs. 50 used to be paid Rs. 20 and postal clerks above Rs. 50 used to be paid Rs. 25 and the Deputy Postmaster Rs. 50 as local allowance prior to the introduction of the time-scale of pay?

5. Is it a fact that after the introduction of the time-scale of pay the local allowance has been reduced to the uniform rate of Rs. 20?

6. Is it a fact that the clerks in the lower cadre in the Office of the Director-General of Posts and Telegraphs used to get Rs. 50 as local allowance prior to the introduction of the time-scale of pay and local allowance at the same rate is still paid to them after the introduction of the time-scale of pay of Rs. 50 to 140?

7. Will the Government please state the reasons for this discrimination against the postal employees at Simla?

8. Are the Government prepared to consider the question of granting a local allowance to postal clerks at Simla at the rates paid to Local Government employees? If not, why?

The Honourable Sir Bhupendra Nath Mitra: 1. Yes, because the Postal Committee of 1920 after a consideration of the circumstances of the different places recommended a higher scale for Calcutta, Madras, Lahore, Delhi, etc., than for other 1st class head post offices in India such as Simla.

2. and 3. If the inquiries relate to the clerks of the Punjab Government the facts appear to be as stated.

4. Yes.

5. Yes, as the result of the review of all local allowances sanctioned for postal officials prior to the introduction of the enhanced rates of pay.

6. Yes.

7. The staff employed in the post offices in Simla are in a station cadre under the Head Postmaster, Simla, whereas the portion of the Director-General's office that works at Simla-Delhi is treated as an office attached to the Government of India Secretariat and that establishment accordingly draws allowances admissible under the Simla Allowances Code.

8. No. The existing rate for postal clerks is considered adequate.

GRANT OF A LOCAL ALLOWANCE TO THE DEPUTY POSTMASTER, SIMLA.

130. **Mr. Devaki Prasad Sinha:** (a) Is it a fact that the Superintendent of the Director-General's Office, Simla, pay Rs. 250 to 350, is paid a local allowance of Rs. 75 per month?

(b) Will the Government please state why the same local allowance is denied to the Deputy Postmaster of Simla whose pay is Rs. 250 to 350?

The Honourable Sir Bhupendra Nath Mitra: (a) The Chief Clerk (there is no Superintendent) of the Director-General's office at Simla-Delhi, pay Rs. 350—450, draws allowances under the Simla Allowances Code.

(b) The Honourable Member is referred to replies to parts 5 and 7 of his previous question.

COUNTING OF OFFICIATING SERVICE RENDERED BY POSTAL AND R. M. S. OFFICIALS FOR FIXING THEIR INITIAL PAY IN THE TIME-SCALE.

131. **Mr. Devaki Prasad Sinha:** 1. (a) Will the Government be pleased to state if the benefit of officiating service rendered by Postal and Railway Mail Service officials confirmed before the date of issue of the Government Resolution on 23rd September 1920 introducing the time-scale of pay was allowed for fixing the initial pay in the time-scale and whether the same concession was also granted to the officials confirmed after the introduction of the Fundamental Rules on 1st January 1922?

(b) Whether the same concession has been denied to officials confirmed between 23rd September 1920 and 1st January 1922? If so what is the reason for this discrimination?

2. (a) Will the Government be pleased to state whether the benefit of the officiating service was in the first instance conceded with effect from 1st March 1921 and many officials whose cases were promptly settled benefited by this concession as regards arrear pay?

(b) Whether officials whose cases were settled later on were allowed the benefit of the past service only with effect from 1st April 1924? If so, will the Government be pleased to state the reasons for this differential treatment?

3. Are the Government aware that recoveries had been made from officials whose claims to increased pay were subsequently admitted and the recoveries so made have not been refunded? Will the Government be pleased to state why the refund of amounts so recovered has been refused?

4. (a) Are the Government aware that records are not in all cases available relating to officiating services and that such officiating services can be verified by collateral evidence?

(b) Do the Government propose to admit such collateral evidence in support of officiating services in respect of which the records are not available?

Sir Geoffrey Clarke: The Honourable Member's attention is invited to the reply given by Mr. H. A. Sams on the 23rd September 1924 to Mr. Kamini Kumar Chanda's starred question No. 2357.

APPEALS OF POSTAL AND R. M. S. EMPLOYEES.

132. **Mr. Devaki Prasad Sinha:** (a) Has the attention of Government been drawn to the article under the heading "Individual cases" published in the General Letter for July, 1924, issued by the All-India (including Burma) Postal and R. M. S. Union?

(b) Is it a fact that the clerks of the office of the Director-General of Posts and Telegraphs dealing with appeal cases of Postal and R. M. S. employees instead of confining themselves to making a correct précis record their own views as to whether the appeals should be rejected or not?

(c) Is it a fact that when appeals are made to the Government of India the same clerks again make notes and record their remarks as to whether the appeals should be rejected or not and the files, with the remarks thus made by the clerks, go in original for orders to the Honourable Member in charge?

(d) Is it a fact that when cases are prepared by the Superintendent, Inspector or Postmaster statements of witnesses are often recorded in the absence of the accused, witnesses are sometimes privately called and interviewed before their statements are recorded openly, and the accused are not allowed to have access to statements and documents used against them?

(e) Do the Government propose to consider the desirability of improving the system of preparing cases against Postal and Railway Mail Service appeals and disposing of appeals in the lines suggested in the article?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) A précis is made by the Director-General's office but the decision is given personally by the Director-General after a careful consideration of the facts of the case and the evidence on record.

(c) On receipt of appeals to Government the case is again examined by the Director-General and a note is submitted by him to Honourable Member in charge.

(d) Statements of witnesses are not always recorded in the presence of the accused but the rules require that when an official is charged with an offence a charge sheet must be furnished to him specifying fully and clearly the offence he is charged with and briefly the evidence in support of it. He is then given full opportunity to make his defence before his case is decided.

(e) Government do not consider that any change in the system is necessary.

DEMANDS FOR GRANTS.

SUGGESTED FORM OF AMENDMENTS.

Sir Campbell Rhodes (Bengal: European): Sir, before the House proceeds with the consideration of the demands for supplementary grants, may I draw the attention of yourself, Sir, and of the House to the form in which the amendments have been moved. This form is one which has been hallowed by precedent in previous years, but the question is of some importance as we shall shortly be discussing the Budget. I suggest, Sir, that it would be a great convenience to private Members on this side of the House, and perhaps also to the Government, if we could be given by the Movers of these amendments a little more information as to the particular points that are to be raised in the discussion. For instance, the first motion under Demand No. 1 might have read: "That the demand under the head 'Customs' be reduced by Rs. 100 in order to draw attention to" and then would follow the exact subject which the Honourable Member wished to raise. I know we can only ask the courtesy of private Members to put their amendments in such a form. But, I submit that it would be greatly to our advantage if we could come prepared to contribute some useful addition to the debate which, in the present form, we are unable to do.

Mr. President: As the Honourable Member himself has suggested, the form in which these motions for reduction appear on the paper is correct and therefore I do not take it that he wishes to find any fault with them. But, as a matter of courtesy to other Members and especially to enable them to know beforehand the subjects that will be raised on each motion for reduction, I think his suggestion might well be considered by those Members who put motions for reduction on the paper.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, I may mention that when I give notice of such a motion at the time when the Budget is under discussion I often intimate to the Member in charge the points I propose to raise. It is but fair as a matter of courtesy only and not as a matter of right that we should intimate the points that we propose to raise, but it cannot be made a hard and fast rule. I want to give you, Sir, this warning because advantage should not be taken of this and it should not be made a precedent later on. Often times we have to rush through our amendment notices on account of the shortness of notice which we get of the Budget grants and which we have to do even before studying the matter fully. Therefore, points may arise when we study the Budget fully which we may have to raise on the motions. So long as that is safeguarded, Sir, I join my Honourable friend Sir Campbell Rhodes in suggesting that, as a matter of courtesy, this may be done.

The Honourable Sir Alexander Muddiman (Home Member): Sir, on behalf of the Government Benches I should like to say how greatly we should appreciate some arrangement of the nature suggested by my Honourable friend Sir Campbell Rhodes and supported by the Diwan Bahadur. It is extremely difficult to gather from the amendments which appear on the paper what is the particular point which is desired to be raised. I entirely agree that this procedure should not be made a hard and fast rule, but I suggest that it is a matter that might be very well developed as a precedent of the House subject to the reservation indicated by my Honourable friend Mr. Rangachariar.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadian Rural): *I should like to say, Sir, that, if it is proposed to state the exact purpose of the motion, it would be very inconvenient to do so. I shall, however, have no objection to the proposal that we should exchange our views and inform each other as to what we are going to do. That would be the right line to adopt. But if we are confined by the appropriate words in the motion itself, I consider that it would be very undesirable to adopt such a procedure. It seems to me that sometimes notice of motions such as those to which reference has been made is given to elicit information, sometimes it is given to make a suggestion and sometimes it is given for actually conveying a censure on the action of the Government. These motions are intended, Sir, for various purposes and it may be a combination of one or the other or all. Therefore, while I appreciate the exact proposals which have been made, I should think that the proper course to adopt is to do it unofficially and by private correspondence rather than by a motion which would limit the operation of this rule in practice. I suggest, therefore, for the consideration of the House that there should be no deviation so far as the rules go from the existing practice.

Mr. K. Ahmed (Rajshahi Division: Muhammadian Rural): May I Sir, in the first place, ask what is the practice followed in the House of Commons with regard to this matter. Secondly, if the form in which the Honourable Members have given notice of their amendments for reduction does not infringe the rules, I should like that the House should be placed in a position to follow the lines of argument raised by my Honourable friends from Bengal and Madras as well as the Honourable the Home Member who has made certain observations.

Sardar V. N. Mutalik (Gujarat and Deccan Sardars and Inamdars: Land-holders): In this connection I may mention that at 12 Noon. I would be very inconvenient for the House to follow the procedure which is suggested, namely, to mention all the points we want to raise, because that would restrict the debate to those points of the Members who move some motion for reduction. Perhaps one Member may have only some suggestions to make, but other Members may have other suggestions to make under the same head.

Mr. President: If the Honourable Member were to put down a motion that the demand under the head "Customs" be reduced by Rs. 100 in respect of a particular item the debate would be restricted to that particular item. I have already pointed out that the form in which the motions appear is correct, but I entirely agree with Sir Campbell Rhodes and the Deputy President, that the suggestion thrown out by them is one which, if carried out, would be of very great assistance to the House. It is not necessary that it should actually appear on the paper, but if the Honourable Member who proposed to move a reduction would inform the Member of Government of the points he proposed to raise, undoubtedly it would be to his own convenience and to the convenience of the Member for Government.

Sardar V. N. Mutalik: My suggestion is that the liberty of other Members should not be restricted by this suggestion.

* Not corrected by the Honourable Member.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muham-madan): The suggestion you have made, Sir, is somewhat inconsistent with the suggestion made by Sir Campbell Rhodes. What Sir Campbell Rhodes intimated was that if anything was on the agenda paper, it would be an intimation to other Members to follow the debate and take part in the discussion whereas your suggestion that the Mover of the motion should send an intimation to the Member of Government in charge of the Department would not carry out the purpose for which Sir Campbell Rhodes pleads.

Mr. President: I do not think we can carry on the debate much further; we can bring it more to a point by reference to Demand No. 15. Supposing when we come to the Budget for next year, an Honourable Member puts down a reduction under "General Administration", without giving any further indication, it is obvious that he is not giving as much information as he ought to give. A motion under the head "General Administration" must be presumed to indicate his intention to raise debate on the general policy of Government. If he thereupon gets up and proceeds to discuss some particular point of detail, I think not only the Government, but the House and the Chair would have some grievance against him.

DEMANDS FOR SUPPLEMENTARY GRANTS.

CUSTOMS.

Mr. President: The House will now proceed to consider the demands for supplementary grants.

The question is:

"That a supplementary sum not exceeding Rs. 53,000 be granted to the Governor-General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Customs'."

The Honourable Sir Basil Blackett (Finance Member): Sir, I do not think there is very much in this estimate that I need to explain to the House. The circumstances in which these extra sums are required are set out in the volumes of the Standing Finance Committee's meetings. I shall, of course, be glad to give any explanations that may be asked. I rise, however, at the moment in order that I may, with your leave, Sir, make a short statement about the supplementary estimates as a whole. We have before us a schedule of supplementary demands asking for an additional grant amounting to Rs. 1,49,54,000 for Revenue and a small sum of Rs. 15,000 for Capital. I would like to reassure the House at once in regard to the effect of that upon our expenditure. The biggest items concerned are "Opium" and "Refunds". In both these cases the effect is rather to reduce our revenue than to increase our expenditure. I may, however, say that there is no reason to fear that the result of the voting of these additional individual grants required here will be to cause any large excess on our total provision for the year owing to savings in other directions, which, under our new procedure, we do not bring before the House because it is not directly connected with the question of appropriation. The majority of the other grants are either very small ones, or are questions simply of transfer from one head to another, or from the head of non-voted to the head of voted expenditure, and do not in reality involve any addition at all to our expenditure.

Kumar Ganganand Sinha (Bhagalpur, Purneah and the Santhal Parganas: Non-Muhammadan): Sir, I have read the note printed in the book which details the demands and also the proceedings of the Finance Committee; but I regret that I have not become in any way wiser. We do not know the additional income that has accrued to the Government since the employment of the additional staff at the jetties. We are equally ignorant of the cases of smuggling which came to the notice of Government and resulted in the keeping of the additional staff at the Garden Reach jetties. Nor are we informed of the charges for the Inspectors at the jetties, and the revenues obtained during previous years and the current financial year up till the time when actual splitting up has taken place evidently showing the amount of increased charges. We are also in the dark as to the charge of the Inspectors of the different jetties in India, their establishment expenditure and contributions to the Government revenue and we are unable consequently to compare the figures. This information ought to have been contained in the Report of the Standing Finance Committee, and without this information I beg to submit it is very difficult to grasp the real situation and judge matters by themselves. My object in moving this motion is to get the information from the Honourable Member in charge so that the Members on this side of the House may be in possession of more facts about the grants.

Sir, I beg to move the motion that the demand under the Head "Customs" be reduced by Rs. 100.

The Honourable Sir Basil Blackett: Sir, I am afraid that if any attempt were made in respect of each item which appears in our supplementary demands to give anything approaching the information that is asked for by the Honourable Member who has just spoken, we should have to begin by coming to this House with a demand for a supplementary grant for at least a crore for additional staff and additional printing. I am sure the House will realise that the sort of information just asked for in justification of an item that amounts to Rs. 2,550 is a little unreasonable. I always do my best to give full information to the House, and in the Standing Finance Committee every endeavour is made to answer questions that are relevant to the matter in hand. One of the questions asked by the Honourable Member who has just spoken is, what is the additional revenue obtained by appointing an additional staff at the new jetties. I would point out to him that the proposals will be given effect to only from February 1st, 1925. So it is a little soon to talk about figures of additional revenue in that case. I regret that the Honourable Member is dissatisfied with the information before him. What he asks for is of such a detailed character that I hope the House will support me in saying that it is not the sort of information that I can reasonably be expected to carry in my head without notice.

The motion was negatived.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 53,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Customs'."

The motion was adopted.

OPIUM.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 31,33,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Opium'."

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, since sending notice of my amendments regarding these demands for supplementary grants my attention has been drawn to one or two facts. With your permission, Sir, I wish to make a short statement with regard to these. The first is that these demands for supplementary grants refer to the Budget of last year, the Budget discussed last March, with regard to which the Swarajya Party, to which I have the honour to belong, assumed on good grounds an attitude of strict aloofness regarding the various details of the Budget. Now these supplementary demands being in connection with the same Budget it is desirable that we continue to throw the whole responsibility on the official Benches and do not take to either constructive or destructive criticism of any kind. In view therefore of this fact, I beg your permission to withdraw this amendment* as well as other amendments on to-day's agenda standing in my name.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadan Rural): Sir, I beg to move that the demand under the head "Opium" be reduced by Rs. 100.

The object of my motion is to elicit certain information from the Honourable the Finance Member and also to make one or two suggestions in regard to the financing of the operations of the Opium Department. Sir, Honourable Members will note, if they turn to the detailed estimates of the demands for grants for the current year, that a provision of Rs. 1,89,30,000 has been made for the cultivation of opium in the United Provinces and also for payments for special cultivation in Malwa. The amount is Rs. 1,89,30,000. By the present motion my Honourable friend wishes to add another sum of 29 lakhs to this amount, and the object of this supplementary grant is stated to be that the cultivators have cultivated more poppy (*Diwan Bahadur T. Rangachariar*: "No, the yield was more.") The yield was much more than was expected and the payments to these cultivators have to be exceeded by a sum of 29 lakhs. The year before this there was also a similar request by the Government for a sum of 77 lakhs, for which a supplementary demand was brought forward in this Assembly in July 1923. I am mentioning these facts for the purpose of showing that the available balances in the hands of Government are very much disturbed by these operations of the department with reference to which no exact forecast can be made. As I said, in the previous year a supplementary demand for 77 lakhs was made and this year the Government have come forward with a demand for nearly 30 lakhs. Honourable Members will therefore see that the available balances will be reduced by these amounts. It may be that in a subsequent year these amounts may be recouped by the sale of the opium; but that is not my point. The point is that the current revenues are being disturbed and diverted in this manner, and the first question I should like to raise in

* That the demand under the head 'Opium' be reduced by Rs. 5 lakhs.

† Not corrected by the Honourable Member.

[Diwan Bahadur M. Ramachandra Rao.]

this matter is whether the financing of the operations of the Opium Department should be necessarily from the current revenues of the year or whether the Honourable Member will devise another system of finance for this Department. We have already, Sir, some proposals which are now being carried out with reference to commercialising some of the departments of Government, and I would ask the Honourable Member seriously to consider whether, while the Provinces are starving for education, for medical relief, for health,—whether the Government of India still consider that they should stick to this antiquated system of financing the Opium Department from the revenues of the year. I suggest to the Honourable Member the desirability of taking this department also out of the category of departments which should necessarily be financed from the revenues of the current year.

Mr. President: He cannot do that on a supplementary estimate; the Honourable Member can only do that on the Budget.

Diwan Bahadur M. Ramachandra Rao: I submit, Sir, that so far as this matter is concerned, this is relevant because my Honourable friend has come forward to ask for 29 lakhs, and I suggest to him in this connection whether this could not be avoided if he were to adopt another system of financing the Opium Department.

Mr. President: As I have already pointed out to the Honourable Member, he cannot devise another system in the six weeks left to the current year and therefore on practical grounds as well as on grounds of order the Honourable Member ought to reserve his remarks till we come to the Budget itself. What is required here is a grant to supplement an estimate which the Honourable Member himself acknowledges could not have been accurately made a year ago.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): I should like to know what the Honourable Member proposes to do with this extra opium which comes into his hand in this way.

Dr. S. K. Datta (Nominated: Indian Christians): Sir, I have no intention of entering into the policy of the Government of India at this time with regard to Opium but I do wish to raise the question of this matter of supplementary estimates. I see the Government of India are asking for something like 35 lakhs of rupees. 29 lakhs is the actual figure given but under Savings there is another sum added and I think the total amount for financing the cultivator is something like 35 lakhs out of an original budget of 118 lakhs. In other words, there has been a gross miscalculation at the beginning of the year—118 lakhs for the cultivators of the United Provinces. In the year 1922-23 the total amount for financing the cultivators was 70 lakhs. Might I ask why there has been this enormous increase?

In the second place, the demand conveys to us no information on this matter of the actual amount of opium involved. We would like to know how many more chests of opium have been actually produced. In the third place, I ask the question and it is this—What is the Government going to do with this opium? Is it to be carried over to the stocks of next year, and will there be a corresponding reduction in the cultivation as a result of these large stocks which are carried over? May I also ask, Sir, whether this overproduction does not in any way

involve an increase in smuggling or illicit traffic in opium within India itself? I would like assurances on all these points before I vote on this supplementary grant. The Government in their supplementary demands for grants on page 2 say:

“The Government of India are taking all possible steps to curtail the cultivation of opium both in the United Provinces and in Malwa;”

and in the same breath this year they ask for very substantial grants to supplement their original estimates.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, I rise to oppose what has been said by the Honourable Members from Madras and Calcutta just now. Their objections are extraordinary. My friend from Calcutta said what will Government do with regard to the surplus quantity that has been produced of opium. Instead of giving a very big certificate, a diploma and prizes to the cultivators for the labour they have given and for the fertility of their land which has resulted in this big production, they wish to move a reduction.

As to forecasting accurately, may I ask my Honourable friend from Calcutta, who is a medical officer and has some experience of these matters, if he could give us a forecast about the disease of plague or fever in the town of Calcutta or what will be the number of patients in any year and the number of phials of quinine consumed. How much surplus will be necessary, it is not for the Government to say. It is not for the Department to say what will be the consumption for next year. It may be that there will be more opium eaters. Well, I suppose, Sir, that the Government expenditure is a little more than what it is bound to be owing to the surplus stocks. I hope that the Member from Madras will withdraw his motion.

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, I also gave notice of a somewhat similar amendment, but I do not propose to move it. However, I wish the Honourable Sir Basil Blackett will be able to give us a clear idea as to what he means by saying that the Government are taking all possible steps to curtail the cultivation of opium both in the United Provinces and in Malwa. I would like him in doing so to give us an assurance, if he can possibly do it, that the curtailment will proceed to such an extent that the cultivation will not be more than what is necessary for use for medicinal and scientific purposes. I wish also, Sir, that the Honourable Member would make some statement as to what steps the Government of India mean to take with reference to the convention that has been recently come to at the Conference.

Mr. President: The convention is not in order here.

The Honourable Sir Basil Blackett: Sir, when I heard Mr. Kabeer-ud-din Ahmed speak, I was tempted to remark—*o si sic omnes*—would that there were more jolly fellows like him. But meanwhile, I must try to reply to the very pertinent questions that have been put to me. I think they were really all included in those put by Mr. Ramachandra Rao. It is perfectly true that both last year and this we have had to come to this House for very large increases in the grant we require to meet what I may call the working expenses of the Opium Department. The amount last year was over Rs. 70 lakhs; this year it is some Rs. 30 lakhs; at any rate we have made a rather better estimate this year; but it is undoubtedly a case where the difficulties of making a correct estimate are most extraordinary. The difference between a good year and a bad year for the

[Sir Basil Blackett.]

production of opium might be something between 10 and 100. It is quite impossible at the time when the Budget is introduced to say what sort of season the next season is going to be. We have worked on averages; and averages in a case like this, although in the end they may work out as averages, are very misleading for the purpose of any one year's estimate.

The second point is, why when we had this excess last year did we not take steps to restrict the production of opium this year? The answer to that is that immediately we discovered the excess last year we set to work to take the necessary steps but due notice had to be given to the cultivators and it was impossible without very severe hardship to the cultivators to give them that notice as late as the summer of 1923, if we had to affect the crop of the following year. A certain amount of time had to be given them and in addition it is a matter in some cases actually of contract. But as a result of the experience of the summer of 1923, reinforced by last year's experience, the Government have taken the following steps. They have reduced the price paid to the cultivator for his crop. I have not got the exact figure in my mind, but it is quite a considerable reduction. The second step that has been taken is a considerable curtailment of the area permitted to be cultivated. It is quite possible that, if we have a poor season for the production of opium this year or the next, the change may be so much in the other direction that the greater part, if not the whole, of the additional stocks accumulated as a result of these two good years will be completely used up. But we have for some time been troubled by the increase in our stocks and it is most undesirable that we should have a large part of our cash balances locked up in any kind of unnecessary stocks: whether they are military stores or whether it is opium, it is equally objectionable. The difficulty of the carry over from year to year with a crop so uncertain as opium will be obvious to this House; and if I may trespass a moment, Sir, on the subject of commercial accounting, I can assure this House that we have taken up and are engaged in considering the possibility of the introduction of a system of commercial accounting into the Opium Department. There is one objection to doing so and that is there are considerable uncertainties at present in regard to the whole of our opium revenue; and we do not want to enter upon a large reform of a system, which always is troublesome to introduce, unless it is likely to be useful for a reasonable length of time. But I do not think that Diwan Bahadur Ramachandra Rao is correct in thinking that in the end this would make any particular difference to the amount that we should have available for the provinces; because it would simply be a question of introducing a commercial accounting system and not, I think, of carrying large stocks of opium on borrowed money. But even so, that would only make a difference of course for one year.

As regards the stocks, I am afraid I have not got the exact figure at which our stocks at present stand. I do not think there is any justification for the suggestion that the increase in the size of our stocks in any way increases the risks of smuggling. But that some smuggling goes on, I think more from the Malwa States than from the United Provinces, is undeniable. We think that it is within very limited bounds and it is almost entirely smuggling within India; it is not a question of export; but the size of our stocks has no connection with that question. Undoubtedly the size of the crop in any particular year has some connection; be-

cause on the usual law of averages the larger the amount of opium available for smuggling the larger the amount of smuggling; in a poor crop year no doubt smuggling takes place to a lesser extent.

I have been asked by several Members as to what we do with the extra opium. We keep it in stock and it is used in following years. If, as has happened more than once, we have a bad crop year, the reduction in our stocks will be very considerable; and I am inclined to think that the reduction which we have made in the price which we pay to the cultivator together with the restriction of area will in any case tend to reduce our stocks even in a good year, because we have very considerably curtailed them. Of course you cannot do this sort of thing without a certain amount of hardship; and particularly in connection with the Malwa States some rather delicate negotiations are necessary. But the complaint against the Finance Member in this matter, as I was hearing it in another connection the other day, is that he has been too hard-hearted in considering the interests of the cultivators.

In view of the explanation which I have given, I trust the House will now be able to pass this demand. It is one which is really outside our control; and although it is perfectly right that this House should be called upon to vote the amount required in accordance with any theory of appropriation, it is obvious that when you come to the working expenses and payments to cultivators in a particular department like this, neither the House nor the Finance Member can exercise that strict control which they exercise over, shall we say, the salaries in an accounts office.

Diwan Bahadur M. Ramachandra Rao: *Sir, in view of the statement made by my Honourable friend, Sir Basil Blackett, I do not wish to press this motion. On the whole I should think that there are many questions of policy which will be raised at the time of the Budget debate and I trust that this matter which we have raised will receive his considered attention and that he will be able to make some announcement when the matter is discussed at the time of the Budget.

I beg leave to withdraw my motion.

The motion was, by leave of the Assembly, **withdrawn**.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 31,33,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Opium'."

The motion was adopted.

STAMPS.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 2,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Stamps' (including expenditure in England)."

Kumar Ganganand Sinha: Sir, I beg to move that the demand under the head 'Stamps' (page 3) be reduced by Rs. 100.

* Not corrected by the Honourable Member.

[Kumar Ganganand Sinha.]

In this connection, Sir, I would invite the attention of the House to my starred question No. 374 asked on the 28th January last. My question was:

“Are not the Government aware of the fact that Devanagari is more extensively used and read in Northern India than any other script? Will Government be pleased to state why it does not find a place in the Stamp Papers published and sold by and for the Government? . . .”

Mr. President: Am I to understand that the Honourable Member is raising the question of the language in which the inscription on stamps is printed?

Kumar Ganganand Sinha: Yes, Sir.

President: Then it is not in order.

Kumar Ganganand Sinha: Will it be in order if I raise the point during the Budget discussion, Sir?

Mr. President: I should think so.

The question is:

“That a supplementary sum not exceeding Rs. 2,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Stamps (including expenditure in England)’.”

The motion was adopted.

FORESTS.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 48,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Forests’.”

The motion was adopted.

THE INDIAN POSTS AND TELEGRAPH DEPARTMENT.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 10,63,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Indian Posts and Telegraph Department including working expenses’.”

The motion was adopted.

THE INDO-EUROPEAN TELEGRAPH DEPARTMENT.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 89,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Indo-European Telegraph Department (including working expenses)’.”

The motion was adopted.

GENERAL ADMINISTRATION.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 85,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during year ending the 31st March 1925, in respect of ‘General Administration’.”

The motion was adopted.

POLICE.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 1,53,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Police’.”

The motion was adopted.

SURVEY OF INDIA.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 1,10,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Survey of India’.”

The motion was adopted.

METEOROLOGY.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 3,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Meteorology’.”

The motion was adopted.

MINES.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Mines’.”

The motion was adopted.

OTHER SCIENTIFIC DEPARTMENTS.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 63,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Other Scientific Departments’.”

The motion was adopted.

EDUCATION.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 1,13,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Education’.”

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muham-madan): Sir, I beg to move that the demand under the head "Education" be reduced by Re. 1.

I do not know, Sir, if this motion is carried who will pay that rupee, whether the Honourable the Finance Member who says he is prepared to do it or the Honourable Member in charge of Education or whether they will divide it half and half. Not being in the arcana of the Government of India, I directed my attack against the Honourable Member in charge of Education, and my complaint against him is this, that while I welcome and welcome with all my heart the additional grant proposed to the two Universities of Calcutta and Benares, what are the Government of India going to do for their home University?

Mr. J. W. Bhore (Secretary, Department of Education, Health and Lands): On a point of order, Sir. I should like your ruling as to whether the Honourable Member is in order in raising a question in regard to the Delhi University on Demand No. 29. Delhi University is provided for under an entirely different demand, Demand No. 52.

Mr. President: Is the Honourable Member referring to the original demand?

Mr. J. W. Bhore: Yes, Sir.

Mr. President: Then he is not in order.

The question is:

"That a supplementary sum not exceeding Rs. 1,13,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Education'."

The motion was adopted.

PUBLIC HEALTH.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 6,29,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Public Health'."

The motion was adopted.

EMIGRATION—EXTERNAL.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Emigration—External'."

The motion was adopted.

SUPERANNUATION ALLOWANCES AND PENSIONS.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 4,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Superannuation allowances and pensions'."

The motion was adopted.

REFUNDS.

Mr. President: The question is:

"That a supplementary sum not exceeding Rs. 85,07,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of 'Refunds'."

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadian Rural): *Sir, I beg to move that this demand be reduced by Rs. 100.

If Honourable Members will turn to page 17 of the "Supplementary Demands for Grants," they will see that under the head "Miscellaneous Departments" a provision of Rs. 9,500 has been made for refund of rent for space in the British Empire Exhibition. I have no objection to this refund, but I have made this motion with a view to elicit certain information in regard to the British Empire Exhibition, and I hope the Honourable Member in charge will be able to give it to us.

The first point that I should like to raise is whether the Government of India have come to any decision in regard to taking part in the British Empire Exhibition during the next year. The question was raised in this House more than once, and it was suggested that India should not take part in the Exhibition. On the other hand, certain Honourable Members of this House have suggested that it would be to the great advantage of India that she should take part in this Exhibition. In answer to one or two supplementary questions, the Honourable Sir Charles Innes informed the House that the Government of India are considering the question whether they should continue to participate in this Exhibition. The question I wish to ask is whether they will afford this House an opportunity for discussing the desirability or otherwise of India participating in this Exhibition during the next year.

The second point is that I should like to know whether the accounts of this Exhibition have been closed, and what has become of the Commissioner of this Exhibition? Whether he is still in London or whether he is still engaged in the work of this Exhibition?

Mr. President: I am afraid I cannot allow the Honourable Member to open the whole field of the Exhibition on the question of "Refunds." I will allow the Finance Member, if he likes, to answer the first question.

The Honourable Sir Basil Blackett: Sir, I understand the first question that has been asked is with regard to the intentions of the Government of India as regards the representation of India as a Government at the Exhibition during the present calendar year. I regret, Sir, that I am not the Honourable Member—or rather I am glad to say I am not the Honourable Member in charge of the vote for the British Empire Exhibition. I would however, Sir, ask your ruling whether even that question is in order because this is not a vote for the expenditure on the British Empire Exhibition, which would have appeared under another vote. It is a vote for the refund of a sum of money due by the Government and therefore it is under the head of "Refunds" that it comes. But the actual purpose of this vote is to make a payment which was obviously an equitable payment to the

* Not corrected by the Honourable Member.

[Sir Basil Blackett.]

Patiala State for a certain space which had been originally allotted to it and had been surrendered. We find, for technical accounting reasons—and perfectly correctly—that a refund of this sort, not being under Statute, requires the assent of this House, but it is a refund which must be made in all honesty and I would therefore suggest that now that the Honourable the Commerce Member is present, this debate, if it is to be continued, should be continued by him.

Kumar Ganganand Sinha: Sir, I would like to ask the Honourable the Finance Member in whose name this motion stands as to why did not the Government wait to take the Assembly's decision and acted in such a way as has necessitated this refund; and as I have only got the figures for 1922 I would request the Honourable Member to supply me with certain figures for which I will ask him just now. I would like to know how much salt has been imported from foreign countries during the current year. Why does not the Government sufficiently develope and improve the conditions of Indian salt manufacture . . .

Mr. President: The Honourable Member cannot raise these questions on this vote. He may raise them on the Budget.

Kumar Ganganand Sinha: Very well, Sir.

Diwan Bahadur M. Ramachandra Rao: *May I ask the Honourable Sir Charles Innes, Sir, whether an opportunity will be given to us to discuss this question, as, in answer to supplementary questions that were put in this House last week and the week before, he said that the participation of India in the Empire Exhibition in 1925 will not impose any financial burden on India. I do not know whether I understood him correctly but I should like to know, Sir, whether there is any intention to participate in this Exhibition during the coming year and, if so, whether it is possible to estimate the cost to India of this participation.

The Honourable Sir Charles Innes (Commerce Member): I am afraid, Sir, that I cannot add to what I have already said to this House on the subject. I think that Mr. Ramachandra Rao will have an opportunity of raising a full debate when the ordinary budget demands come on at the beginning of next month. Then I hope to be able to give him full information on the subject. All I can say at present is that it is most unlikely that the Government of India will take part officially in the Exhibition and that there is no chance, as far as I can see, of our making any demand on the Assembly for the grant of money for this year's Exhibition.

Diwan Bahadur M. Ramachandra Rao: I withdraw my motion, Sir.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

“That a supplementary sum not exceeding Rs. 85,07,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘Refunds’.”

The motion was adopted.

* Not corrected by the Honourable Member.

BALUCHISTAN.

Mr. President: The question is :

“ That a supplementary sum not exceeding Rs. 11,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘ Baluchistan ’.”

The motion was adopted.

-RAJPUTANA.

Mr. President: The question is :

“ That a supplementary sum not exceeding Rs. 7,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘ Rajputana ’.”

The motion was adopted.

CENTRAL INDIA.

Mr. President: The question is :

“ That a supplementary sum not exceeding Rs. 39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘ Central India ’.”

The motion was adopted.

HYDERABAD.

Mr. President: The question is :

“ That a supplementary sum not exceeding Rs. 11,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘ Hyderabad ’.”

The motion was adopted.

EXPENDITURE IN ENGLAND UNDER THE CONTROL OF THE SECRETARY OF STATE FOR INDIA.

Mr. President: The question is :

“ That a supplementary sum not exceeding Rs. 1,32,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘ Expenditure in England under the Control of the Secretary of State for India ’.”

The motion was adopted.

IRRIGATION.

Mr. President: The question is :

“ That a supplementary sum not exceeding Rs. 15,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March 1925, in respect of ‘ Irrigation—Not charged to Revenue ’.”

The motion was adopted.

ELECTION OF PANELS FOR STANDING COMMITTEES.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I beg to move:

"That this Assembly do proceed to elect in the manner described in the rules published in the Home Department Notification No. F-49, dated the 22nd August, 1922, as amended by the Home Department Notification No. D-794-C., dated the 30th January, 1924, 4 panels consisting of 9 members each, from which the members of the 4 Standing Committees to advise on subjects in the Home Department, the Commerce Department, the Department of Education, Health and Lands, and the Department of Industries and Labour, respectively, will be nominated."

My basis for making that motion is the Notification which I have cited.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadan Rural):* Sir, before this motion is put to the vote, I should like the Honourable the Home Member to enlighten us as regards the exact work done during the last year by these Advisory Committees. Sir, there is a feeling that these Committees have become very ineffective and that their usefulness is not apparent. Sir, these Committees were constituted on a motion made in this House by my friend Mr. Neogy some time in 1922, and it is now three years since these Committees have been in existence, and we have no record of their proceedings. We have the Standing Finance Committee whose proceedings are placed before this House. We have the Public Accounts Committee whose proceedings are placed before this House. We have also now the Railway Finance Committee whose proceedings, I understand, will be printed and circulated to this House. But as regards these four committees, Members of this House know absolutely nothing of what they are doing. I am a member of one of these committees and I may say that we were summoned twice. I do not know whether the proceedings of these committees are considered confidential. So far as these three Departments, namely, the Commerce, Health and Lands, and Industries Departments, are concerned, there is absolutely no reason to consider that the activities of these committees should be regarded as confidential. There may be something to be said in the case of the Home Department where probably broad questions of policy in regard to the political situation in the country may come up for consideration. I am not a member of that Committee and I do not know anything about it. My friend to my left (Diwan Bahadur T. Rangachariar) will be able, I expect, to enlighten this House as to what they are doing in that Committee. Therefore, the first suggestion I would like to make, if these Committees are to be elected, is that we should have some account of their doings, the number of times they meet and the number of questions they consider, so that we may be in a position to say whether they are functioning well and whether the purposes for which they were constituted have been fulfilled. A good deal was said, Sir, in the discussion that took place on Mr. Neogy's Resolution in 1922 to the effect that these Committees were intended for the political education of the Members of this House. I do not know whether the activities of these Committees have given them that political education which was referred to in the proceedings of the Joint Parliamentary Committee and the proceedings of this House. I therefore wish that the Honourable the Home Member would make a statement as regards the work done by these Committees.

* Not corrected by the Honourable Member.

The Honourable Sir Alexander Muddiman: I do not know how far my Honourable friend is in order in raising these matters on this motion, and that is why I said when I moved this motion that I based my motion on the Notification which is indeed the sole ground on which I could move. The Notification, Sir, is a Notification by the Governor General. The constitution of these Committees is regulated by rules published in that Notification and I do think, Sir, that if the question of the constitution and duties of these Standing Committees is to be raised, it ought to be raised as a separate matter and not on a motion for the election of a panel for these Committees. On that point, Sir, I submit myself to your better judgment. I myself have only experience of one Committee. I had no idea that this question was going to be raised this morning and therefore I am not in a position to give any information as to the details of others. I may, however, draw the Honourable Member's attention to the fact that the Governor General has laid down in rule 5 that the functions of these Standing Committees are purely advisory and that their proceedings are to be strictly confidential. That is why, I gather, publication has not been made of their proceedings.

Diwan Bahadur M. Ramachandra Rao: Does that apply to all the Committees?

The Honourable Sir Alexander Muddiman: All the Committees were constituted by one Notification and rule 5 applies to them all.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammaḍan): In this connection may I draw the attention of the Honourable the Home Member to the fact that on a previous occasion, when certain Bills moved by private Members were opposed by Government, the spokesmen on behalf of the Government announced to the House that those Bills were placed before the Advisory Committee and that that Committee decided to advise Government to oppose the Bills? If the proceedings of these Committees were confidential, how is it that those secrets were divulged to this House only in respect of private Bills moved by non-official Members?

Mr. K. C. Neogy (Dacca Division: Non-Muhammaḍan Rural): Sir, as my Honourable friend Diwan Bahadur Ramachandra Rao has said, I had something to do with the creation of these Committees. But, Sir, I am prepared now, after three years have elapsed from the date on which I moved that Resolution, to oppose this motion. And why? Because, when we moved that Resolution and passed it in spite of vehement opposition on the part of the Government, and in fact after the House had divided itself, we thought, that while giving effect to that Resolution, Government would try to carry out the intentions which the Joint Parliamentary Committee had in mind in recommending the constitution of these Committees. But, Sir, I was evidently counting without my host. When once the Government set their heart upon a particular course of action, they are not likely to be deviated by whatever we may do in this House. That is a lesson which I have learnt during these few years. That is why I find that my Honourable friend and his colleagues who occupy the front benches on the other side of the House have done all that they could to reduce these bodies to a sort of

[Mr. K. C. Neogy.]

ornamental appendage to Government, which does no good either to the House or to the Government in any manner. When we first elected these panels we thought that we were placing some of our colleagues in a position to become more useful, in a position in which they would be enabled to see the inner working of the machinery of Government to far greater advantage than we in this House can. But as matters stand at present, the panels of these Committees have been reduced to no better than Honours Lists. There are so many names proposed, and so many persons elected and a fortunate few among them are in the end selected by the Government. They seldom meet and more seldom discuss anything but trivialities. That is the position to which my Honourable friend and his colleagues have reduced these Committees. Well, Sir, my Honourable friend and his colleagues are loud in their protestations that they have done all that they can to work the reforms and make them a success, and that it is only the obduracy of the non-officials that is responsible for the unsatisfactory working of the reforms. Here is a test. What have you done with regard to these Committees? I would advise my Honourable friend Sir Alexander Muddiman to read the report of the Joint Parliamentary Committee. Probably he knows a good deal more about these things than many of us here. Still I would recommend him to study the report of the Joint Parliamentary Committee and the recommendation made by the Montagu-Chelmsford Report in this connection, and the evidence given before the Joint Parliamentary Committee by retired Government officials like Sir John Hewett, Sir James Meston and Sir William Meyer. I do not ask my Honourable friend to attach any weight to the non-official opinion that was voiced in this connection before the Joint Parliamentary Committee.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Why not?

Mr. K. C. Neogy: Because I know they will not attach any value to that opinion. So, I say, read the evidence of Sir William Meyer, Sir John Hewett and Lord Meston himself and see whether you have carried out the intentions which the Montagu-Chelmsford Report and the Joint Parliamentary Committee had in mind in recommending the constitution of these Committees and the intention which this House had in recommending the establishment of these Committees. After he has read that, I have no doubt that my Honourable friend will admit that so far these Committees have not proved a success, and either he will be prepared to place real questions of policy before these Committees and take their advice on all important occasions, or vote with us in the same lobby, that is to say, the "Noes" lobby.

Mr. President: The question is:

"That this Assembly do proceed to elect in the manner described in the rules published in the Home Department Notification No. F-49, dated the 22nd August, 1922, as amended by the Home Department Notification No. D-794-C., dated the 30th January, 1924, 4 panels consisting of 9 members each, from which the members of the 4 Standing Committees to advise on subjects in the Home Department, the Commerce Department, the Department of Education, Health and Lands, and the Department of Industries and Labour, respectively, will be nominated."

Sir Hari Singh Gour: I have my amendment, Sir.

Mr. President: The amendment is out of order. Clearly the Honourable Member cannot raise that matter, since it is already provided for in the rules. He can recommend to the Governor General that those rules be redrafted for this purpose.

Sir Hari Singh Gour: I am prepared to move it in that form.

Mr. President: He must do so on a Resolution; he cannot do it here.

The Assembly divided:

AYES—40.

Abdai Mumin, Khan Bahadur Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abdul Kasem, Maulvi.
Ahmed, Mr. K.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clarke, Sir Geoffrey.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Dalal, Sardar B. A.
Fleming, Mr. E. G.
Ghose, Mr. S. C.
Graham, Mr. L.
Hira Singh, Sardar Bahadur Captain
Hudson, Mr. W. F.

Innes, The Honourable Sir Charles.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir Alexander.
Mutalik, Sardar V. N.
Naidu, Mr. M. C.
Raj Narain, Rai Bahadur.
Rangachariar, Diwan Bahadur T.
Reddi, Mr. K. Venkataramana.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Sim, Mr. G. G.
Singh, Rai Bahadur S. N.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Wilson, Mr. R. A.

NOES—38.

Abdul Karim, Khwaja.
Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Ahmad Ali Khan, Mr.
Aiyangar, Mr. C. Duraiswami.
Ajab Khan, Captain.
Belvi, Mr. D. V.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Ismail Khan, Mr.
Ivengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi Muhammad.
Kelkar, Mr. N. C.

Malaviya, Pandit Madan Mohan.
Mehta, Mr. Jamnadas M.
Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi Sayad.
Nambiyar, Mr. K. K.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Piyare Lal, Lala.
Ray, Mr. Kumar Sankar.
Roy, Mr. Bhabendra Chandra.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan Bahadur.
Shafee, Maulvi Mohammad.
Sinha, Kumar Gangnanand.
Wajihuddin, Haji.

The motion was adopted.

Mr. President: As a result of the decision just made, I have to announce that nominations for the panel will be received in the office of the Assembly up to 12 noon on Thursday, the 19th of February, and elections for all Committees will be held in this Chamber on Tuesday, the 24th of February.

THE PRISONS (AMENDMENT) BILL.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I beg to move for leave to introduce a Bill to amend the Prisons Act, 1894.

The Bill which I seek to introduce is a very small one. It makes certain minor amendments in the present Act to give effect to some of the recommendations of the Indian Jails Committee. All the recommendations to which this Bill gives effect have been set out in the Statement of Objects and Reasons. All these amendments are in favour of the subject and will therefore probably commend themselves to this House. I move.

Mr. President: The question is:

“That leave be given to introduce a Bill to amend the Prisons Act, 1894.”

The motion was adopted.

The Honourable Sir Alexander Muddiman: Sir, I introduce the Bill.

THE CANTONMENTS (AMENDMENT) BILL.

Mr. E. Burdon (Army Secretary): Sir, I move for leave to introduce a Bill to amend the Cantonments Act, 1924.

It is hardly necessary for me to add anything to what is said in the Statement of Objects and Reasons. The Bill which I desire to introduce is of a very simple and formal character. I dare say there are many Honourable Members in this House who will remember that the preparation and the passage of the Cantonments Act of 1924 were pressed forward with a considerable degree of expedition. This was done in order to meet the public opinion which was anxious that the reforms in cantonment administration, which would be embodied in the Act, should be introduced as early as possible. It is, therefore, perhaps hardly surprising that subsequent experience has brought to light a relatively small number of minor defects which it is the object of this Bill to remove. Sir, I move for leave.

Mr. President: The question is:

“That leave be given to introduce a Bill to amend the Cantonments Act, 1924.”

The motion was adopted.

Mr. E. Burdon: Sir, I introduce the Bill.

THE CONTEMPT OF COURTS BILL.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I move:

“That the Bill to define and limit the powers of certain Courts in punishing contempts of Courts, be circulated for the purpose of eliciting opinions thereon.”

I introduced this Bill only three days ago and the observations which I made on that occasion must be within the recollection of the House. I think, therefore, that it will be unnecessary for me to go into the provisions which this Bill seeks to introduce into law. I will merely say in

support of the motion that the Bill be circulated that this seems to be clearly a Bill on which we should have the opinions of the High Courts themselves since their own powers are affected and we should also have the opinions of the local Governments as well as the opinions of the local public. When these opinions are received we shall be able to consider the Bill in a Select Committee and come to conclusions on the proposed new law. With these observations, Sir, I move for the circulation of the Bill.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I should like to make a few observations on the scope and object of this Bill before it goes into circulation. In the first place, I should like to correct a few printing errors which have crept in in the Statement of Objects and Reasons. Reference is made to 17, Calcutta Weekly Notes, page 1285. The case will be found reported on page 1253. It is said that there were two cases of the Calcutta High Court. Honourable Members will find that there is only one case reported both in 17, Calcutta Weekly Notes, 1253, and 41 Calcutta, 173. The two cases are the same. The name Girindra Mohan Das is also wrong. It is the case of the *Amrita Bazar Patrika* in the Barisal case. Referring to the third case taken from 21 Madras Law Journal, 832, I think the correct reference is 10, Madras Law Times, page 209—12 I. C. 293. I make these observations, Sir, in case Honourable Members who wish to refer to the cases themselves might like to see them.

Now, Sir, I wish very briefly to take the Members of this House through the law bearing upon this subject. The Honourable the Home Member in introducing this Bill stated that there was a divergence of opinion between the Madras and the Bombay High Courts on the one side and the Calcutta High Court on the other. It is so. But if you examine the facts of the Madras case you will find that what happened there was this. A certain pleader had sent a certain notice to a subordinate judge threatening certain civil proceedings and thereupon the case was reported to the High Court consisting of the Chief Justice and his two associate Judges. The Vakil who appeared on behalf of the pleader immediately threw himself on the mercy of the Court by tendering an apology for his client's indiscreet act and said that he did not wish to complain of the jurisdiction of the Court but the Court nevertheless had some doubts about their jurisdiction and they asked him to argue the question as an *amicus curiæ* and he argued it and the Honourable Judges of the High Court say that they have their jurisdiction under common law. As to this Lord Halsbury in his "Laws of England", Vol. 7, page 281, footnote (a), says:

"The origin of the summary jurisdiction in the common law courts is obscure."

And yet it is the standpoint of the Madras High Court. It was a case, in which Their Lordships of the Madras High Court pronounced an *obiter dictum* which was not necessary for the decision of that case. In the Bombay case the Honourable the Chief Justice and Mr. Justice Lalubhai Shah differed. Sir Lalubhai Shah agreed with the Honourable the Chief Justice of Bengal. With the utmost deference may I point out that the learned Chief Justice overlooked one salient feature of the case pointed out by the Special Bench of the High Court, presided over by no less a Judge than Sir Lawrence Jenkins, and Mr. Justice Moorkerjee and his third associate Mr. Justice Stephen, who all agreed that the jurisdiction was limited to the King's Bench and that under common law the High

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Court of Calcutta had no jurisdiction to deal with cases of contempt arising in proceedings before subordinate Courts.

Now, let me briefly state to the House what the question at issue is. The question at issue is this. Have the High Courts in India jurisdiction to punish summarily without a trial and without the right of appeal a person who commits contempt of Court before a subordinate Court? This is the sole question in the case. The Madras and the Bombay High Courts in the cases to which I have referred rely upon certain English cases. But the Honourable Judges of the Calcutta High Court have pointed out that this is a peculiar privilege of the King's Bench and therefore the High Courts in India by their constitution never received that privilege. Their Lordships of the Calcutta High Court might have cited the high authority of Sir James Stephen who in the History of the Criminal Law, Volume I, page 93, deals with this point. I read this passage because a very important question turns on it. This passage says:

"The Court of King's Bench represented so much of the ordinary jurisdiction of the *Curia Regis* as was not appropriated to the Common Pleas and the Exchequer. It had no definite known beginning as a separate institution, but the following points in relation to it may be noticed. The name "*Curia Regis*" begins, according to Madox, to cease to be used in the Records after the enactment of Magna Charta, and the pleas which would have been described as being held in the *Curia Regis* are said to be held *coram ipso rege*. This form of expression corresponds to the style which belonged to the Judges of the Court of Queen's Bench down to its abolition, 'the Justices of our Lady the Queen assigned to hold pleas before the Queen herself'. It also corresponds to the singular legal fiction which supposed the king to be in some mystical way personally present in the Court of Queen's Bench (it may be in all the superior courts) which was the reason assigned for the extreme severity with which contempts of such courts might be punished."

The peculiar jurisdiction of the English King's Bench is traceable therefore to the fact that it was there believed by a legal fiction that the King was himself present there, and consequently he had summary and plenary jurisdiction to punish all contempt without trial and without any right of appeal. The Chief Justice of the Calcutta High Court (Sir Lawrence Jenkins) pointed out that this arbitrary and uncontrolled power was a power which arose under the English constitution and was centred in and confined to the King's Bench, and he therefore points out that that is not the power which any of the colonial Courts received with their charter or with their constitution. This is admitted by the two other High Courts. Honourable Members will further see that during the last 300 years that the English constitution has been developed this power has not been enlarged, but, on the other hand, has been curtailed by the case law to which I am about to refer. Lord Halsbury in his "Laws of England" points out that it is only in cases where the contempt of Court seriously prejudices the trial that the Court will punish, and this was decided in the case of *Rex versus Dolan*, 2 Irish Reports, 260. I therefore submit, Sir, that, so far as the English law is concerned, the power is almost an anachronism, and Mr. Justice Mukerjee in delivering his judgment in the Special Bench case of the Calcutta High Court, points out that even as far back as the civil law this power was never exercised. I will read to you a passage, a very short one, from 41 Calcutta, 260:

"This reluctance of the Courts to take action, except in cases of great gravity, may be traced to quite respectable antiquity. Historians record that when Emperor Augustus desired to punish a historian for contempt, Mecaenus advised him that the best policy was to let such things pass and be forgotten. Cæsar said on a similar occasion that to retaliate was only to contend with impudence and put oneself on the

same level, and even Tiberius acted upon the same view. The Theodosian Code also made this the law and expressly declared that slanderers of Majesty should be unpunished, for if this proceeded from levity, it was to be despised, if from madness it was to be pitied, and if from malice, it was to be forgiven, for all such sayings were to be regarded according to the weight they bore."

I quote this for the purpose of showing that that not only embodies the view of the Judges of the Calcutta High Court, but that they point out that for a long period in history in the civil law of Rome this arbitrary, uncontrolled power of punishing the counsel and the press for contempts of court has not been exercised, except in cases of the gravity to which I have adverted. Now, Sir, I further wish to point out to this House that legal writers, both in England and America, have regarded this power as almost obsolete and exercisable only by the Court of the King and in exceptional cases. I refer to an article in 16 *Law Quarterly Review*, at page 292, cited by Lord Halsbury in his "*Laws of England*", volume 7, page 28, foot-note (e), and I beg to draw the attention of this House to the American view stated in 25 *Harvard Law Review*, page 561, cited by Mr. Justice Mookerjee in 41 *Calcutta*, at page 251.

Now, Sir, to sum up this part of my argument, I find it comes to this, that the power of summary disposal of contempt cases was unknown to the civil law. It was limited in England to the King's Bench, and in India the High Court of Calcutta have laid down that that power of punishing for contempt was not inherited by the late Courts, of which the Calcutta High Court is the successor. The Honourable the Home Member, in introducing the Bill, referred to a similar motion made in 1914. I have before me, Sir, the proceedings of the late Imperial Legislative Council of the 18th March 1914. Printed on page 858 I find that Sir Reginald Craddock, in introducing the motion for strengthening the existing law, wanted to add two sections after section 288 of the Indian Penal Code, namely, sections 288A and 288B. In other words, what he wanted to do was to add two sections to the Indian Penal Code, but he did not intend to provide for the summary disposal of contempt cases, and he gave very good reasons why summary disposal of such cases was inadvisable. I give you his words. He says:

"Moreover even Judges are human, and it is well to guard against the possibility, I will say the remote possibility, that the outraged feeling of the Judge might lead to a somewhat hasty or severe treatment of contempt of judicial authority. The Bill, therefore, contemplates that offences of this kind should be ordinary offences instituted and tried as such by the appropriate Courts."

So that in 1914 the intention of the Government of India was to deal with contempt cases by incorporating two sections into the Indian Penal Code, and the offender would be tried under the ordinary Code of Criminal Procedure. In this respect, as I shall presently point out to this House, this Bill makes a departure, and a departure against the interests of the subject.

Now, Sir, I shall very briefly state to this House how far this Bill is intended to strengthen the present law. If Honourable Members will turn to clause 4 of the Bill, they will find that it enables the High Courts to prescribe their own procedure for the punishment of such offenders. In other words, it is intended to give the High Courts an absolutely plenary jurisdiction to deal with cases of contempt committed in the subordinate courts and without any right of appeal. The second point to which I would invite the attention of this House is that the definition of the words

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"contempt of court" is far too wide, and wider than has found favour with the English Judges. Any attempt to interfere with or obstruct the administration of justice is defined in clause 2 as amounting to contempt of Court. I have already pointed out to this House that in England any obstruction or interference with the administration of justice is not treated as contempt of Court unless it seriously prejudices the trial. And Honourable Members will further find that in England contempt of Court is divided into two classes, criminal contempt of Court and contempt in procedure, and it is only in the case of criminal contempt of Court that the summary procedure is applicable to the King's Court. I therefore submit, Sir, that the definition of "contempt of Court" as given in clause 2 embraces not only what would be regarded as criminal contempt but also contempt in procedure.

My next submission to the House is that under clause 2, sub-clause (2), it is provided that:

"whoever commits any contempt of court in respect of a Court specified in the Schedule or of a court subordinate thereto may be punished with imprisonment for a term which may extend to six months, or with fine or with both."

Honourable Members will find that in England it is only when an indictment on information is not calculated to serve the end of justice that summary procedure is resorted to. Matthew Judge in *Re Maria Annie Davis* (1888), 21 Queen's Bench Division, page 236, at page 239 observed:

"Recourse ought not to be had to process of contempt, in aid of a civil remedy, where there is any other method of doing justice."

These are the sapient words of a learned Judge and I beg to ask what effect has been given to them in sub-clause (2) of clause 2. I therefore submit that when this Bill goes out to the public for the purpose of eliciting opinions thereon, the Home Department should draw the attention of the Honourable Judges in the different Provinces to what the state of the English law is, to what the state of the American law is, to what the state of the Civil law is and how in 1914 it was the intention of Government to bring cases of contempt under the ordinary law of criminal procedure and why now for the first time the Government of India have thought fit to have recourse to this summary procedure in disposing of such cases without providing for any right of appeal.

One more point, Sir. Honourable Members will find that in clause 4 of the Bill provision is made towards the end that either they may make rules or a Court so specified in the Schedule shall have in such proceedings all the powers conferred on the Court in the exercise of its original criminal jurisdiction. Now I beg to ask what original criminal jurisdiction do the High Courts of Allahabad, Patna, Lahore, Rangoon, and the Courts of the Judicial Commissioners named in the schedule, exercise? And I further beg to ask, Sir, if under clause 4 of this Bill the High Courts are free to make their own rules, what directions have you given that whatever punishment is inflicted upon an offender the punishment shall be subject to the right of appeal? Honourable Members will see, if they refer to the three cases, the Madras, Bombay and Calcutta cases to which reference has been made in the Statement of Objects and Reasons, that in every one of those cases the High Courts had to admit that the question was not free from difficulty. In the Bombay case the Chief Justice, when he found that his associate Judge, Mr. Justice Shah, was against him and

was in favour of following the Calcutta view, said: "In view of the conflict of authority I shall discharge the rule"; and the judgment, therefore, of the Bombay High Court became an *obiter dictum*. In the Calcutta case three Judges of the Special Bench had to deal with the case of certain comments which the *Amrita Bazar Patrika* had made on what is known now as the Barisal Conspiracy Case and they pointed out that it is not every criticism of a pending case before a Subordinate Judge that constitutes contempt of Court but such as would seriously prejudice the trial of the case. And I beg to submit that if any definition of contempt of Court is to be formulated by the Government of India it should be upon the narrow lines laid down by the English Courts and approved by the Calcutta Judges. I therefore submit, Sir, that while I cannot oppose the motion of the Honourable the Home Member for circulation, I would ask him to examine his position in the light of the remarks I have made, for I have no doubt that this Bill at least requires to be redrafted and its provisions in many places revised before it is brought up again for further consideration.

Mr. President: The question is:—

"That the Bill to define and limit the powers of certain Courts in punishing contempts of Courts, be circulated for the purpose of eliciting opinions thereon."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 17th February, 1925.

LEGISLATIVE ASSEMBLY.

Tuesday, 17th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President in the Chair.

QUESTION AND ANSWER.

FORMATION OF THE SAWABI TAHSIL OF THE PESHAWAR DISTRICT INTO A SUB-DIVISION.

931. ***Nawab Sir Sahibzada Abdul Qaiyum:** (a) Will the Government please state what objections, if any, there are to the formation of the Sawabi Tahsil of the Peshawar District, North West Frontier Province, into a sub-division like the other Tahsils of the District?

(b) Is it not a fact that the headquarters of the Sawabi Tahsil is situated at a distance of about 70 miles from the District headquarters, while those of the Chassadda and Nowshera Tahsils, which have been constituted into separate sub-divisions, are situated only 20 and 25 miles respectively from the District headquarters?

(c) Also whether it is not a fact that no part of the Sawabi Tahsil is linked with the District headquarters by railway and that there are no proper roads in the greater part of the Tahsil and that the population thereof, chiefly consisting of poor agriculturists, have to travel as much as 40 to 50 miles when attending to their cases at Mardan, the sub-division to which they have been linked?

(d) If the formation of the Sawabi Tahsil into a sub-division is not feasible, then is there any special object in keeping the Magistrate in charge of the Sawabi Tahsil at Mardan and holding his court there, with so much cost and inconvenience to all concerned?

(e) Are the Government prepared to take any steps in the matter?

Mr. Denys Bray: I have addressed inquiries to the local Administration and will send the Honourable Member an answer as soon as possible.

RESOLUTION RE DEBT POSITION OF INDIA.

Mr. Jamnadas M. Mehta (Bombay Northern Division: Non-Muhammadan Rural): Sir, I beg to move:

“That this Assembly recommends to the Governor General in Council to appoint in consultation with the Assembly a committee consisting of four members of the Assembly with power to co-opt two men from outside to investigate into the public indebtedness of the country and to report before the next Budget as to the steps to be taken to bring the debt position of the country more in keeping with the capacity of the tax-payer.”

[Mr. Jamnadas M. Mehta.]

Sir, a very distinguished writer on public finance has made the somewhat caustic observation that civilisation and indebtedness go together—indeed that they are inseparable. Whether on that reasoning the most bankrupt nations will also be the most civilised ones I am unable to say; but there can be no doubt that in every country in modern times the advance of civilisation has been unmistakably evidenced by the growth of national indebtedness. The reason is not far to seek. This modern civilisation seems unable to advance without the help of wars and wars cost money and that causes indebtedness. (*The Honourable Sir Basil Blackett*: “Credit.”) England had only £ one million of debt in 1689; to-day she has nearly 8,000 millions. Whether during the interval she has become 8,000 times more civilised is a question on which opinions might differ. There is however one criterion. In 1689 she accomplished her own freedom; in 1925 she has destroyed the liberties of one-third of the people of this globe and is a standing menace to the liberties of the remaining two-thirds. (Laughter.) But, Sir, let us address ourselves to her civilising mission in this country; till the Indian Mutiny the amount of indebtedness of the Government of the East India Company was comparatively limited—not because there were no wars, but because the tremendous cost of these immense wars was paid by exactions and taxation, and the inevitable economic results followed—a whole continent reduced to destitution and a whole race gone down in physical strength and vitality are the results of the taxation that was exacted for the wars which subdued this country.

Coming to later times. I find, Sir, that our debt was Rs. 100 crores immediately after the Mutiny. It steadily rose till in 1901 it was Rs. 347 crores, in 1914, Rs. 502 crores, and to-day it is Rs. 966 crores or nearly Rs. 1,000 crores. Let us compare the English debt in 1900, 1914 and to-day. It is sometimes said with a certain degree of truth, I admit, that the debt of this country is comparatively small; but you have to take comparative figures both of the debt and the economic condition for judging the capacity of a country to bear a certain load of debt. There are three tests—whether a country is wealthy and prosperous, whether the system of taxation is light and elastic, and whether industries and trade are flourishing. If you take the English debt and the Indian debt at the same time and look at the condition of both countries also at the same time, then you will have got the true criteria for judging whether the load of indebtedness of this country is light or heavy.

Well, Sir, I find that in 1902 the national debt of England was £747 millions. Our debt to-day is practically the same. Can it be said however that India's prosperity, her trade, her wealth, her level of taxation are the same to-day as were those of England in 1902? Sir, England had since the revolutionary wars, practically for a hundred years, enjoyed an amount of prosperity unheard of in the world. Every ship that came to the shores of England was laden with milk and honey. Can it be said that the same condition prevails in India to-day? Her industries in 1902 were advanced to an extent of which we cannot dream even fifty years hence. Therefore, simply to judge from the figure of indebtedness of England in 1902 and ours to-day is not judging by the proper test. We have to see whether when England had £700 millions of debt she was economically in the same condition as we are to-day with £700 millions of debt; and it will be at once conceded that the condition of England in

1902, when she had the same amount of debt that we have now, was immeasurably superior to the condition of India to-day when India has the same amount of debt. Therefore, Sir, it is no use simply saying that the amount of debt of this country is comparatively small.

Sir, I will now refer to the so-called productive and unproductive debts. We are told that out of the seven hundred million pounds or 966 crores of rupees debt, a large part is productive. If I could be convinced of that, I would also accept the proposition, but it is absolutely clear that, so far as the productive debt, as it is called, is concerned, except perhaps the Irrigation debt, which has not been uniformly either a success or a failure, except again the postal and telegraph debts, which are comparatively small, the Railway debt which forms the largest portion has been throughout not only not productive but actually a dead loss to the tax-payer. Here are the figures given by the Acworth Committee. From 1858 to 1918, what is called the productive debt, has been productive of 67 lakhs of pounds loss, that is to say, we had to make good out of our revenues the loss which resulted from the working of our Railways, and that loss was 67 lakhs of pounds. That however does not take into account the loss which we had to incur before 1858. Mr. Romesh Chandra Dutt says that that loss amounted to 16 lakhs of pounds, so that the total loss on Railways up to date has been 84 lakhs of pounds. That means twelve crores of rupees or more. It cannot therefore be claimed that the Railway debt has been of a productive character. And still soon after the war the pace of borrowing has been so considerably accelerated that even with the help of the hydraulic process which my Honourable friend Sir Basil Blackett has since his advent brought into operation, the money that has been squeezed out of the market is getting exhausted. He has also revised and improved the Post Office Cash Certificate system on which the investor gets 6 per cent. net compound interest. By that process he has brought into our Treasury 12 crores of rupees more. But at what cost? Let it not be understood that the Post Office Cash Certificates are resorted to by the small investor or the petty agriculturist. Not a bit of it. The six per cent. compound interest is so attractive that in the districts people who used to do money-lending and the middle class people who used to invest in trade are freely resorting to the Post Office Cash Certificates. Government have thereby competed with the trade and industries of the country and taken so much more money from the middle classes by offering such an exorbitant rate as 6 per cent. compound interest.

The Railway debt, as I said, has not at all proved remunerative, but it has proved a dead loss. And yet, we adopted some years ago a programme of borrowing which was so enormous that even those for whom it was intended could not spend it. The Railways were said to have been starved during the war, and, to a certain extent, it was true, but this Assembly was stamped into sanctioning an enormous amount of annual capital grant to the Railways, and this has been borrowed whether the Railways required the amount or not. And then, is it any wonder, Sir, that the rate of interest has remained so heavy? Previous to the war, Government could borrow at 3, 3½ and 4 per cent., but now, when they are borrowing with both hands, they have to pay 6 per cent. interest. Moreover, you make the interest on loans tax free and you also offer various other inducements. And when we remember that owing to the depression in trade and industries Government securities are popular, if Government cannot at

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such a time borrow without offering extravagant inducements, the only conclusion is that there is not enough money in the country, and that Government are getting the money by paying interest beyond the desirable rate. Therefore, I say, Sir, we have to examine whether the rate of interest that we are paying is a reasonable one, whether the amount that we are borrowing is required for really productive expenditure, and whether, on the whole, the country is able to bear the resulting load of interest. Sir, in 1905-06, the annual amount we paid by way of interest was 11 crores; in 1915 it was 14 or 15 crores, and to-day the grand total of all our interest comes to 48 crores 56 lakhs if you include in that figure the repayment of capital annuities on Railways, certain Railway sinking funds and also the interest on provincial borrowings. Let us pause and consider for a moment whether we have grown so prosperous, whether our industries are so flourishing, that we can go on borrowing for Railways even at times at double the pre-war rate of interest. The worst example of our borrowing carelessly and recklessly was when Government offered 7 per cent. on the sterling loan in England two years ago.

The Honourable Sir Basil Blackett: Four years ago.

Mr. Jamnadas M. Mehta: Four years ago. I am very glad to hear it, if that is at all any consolation. The Provincial Governments have been borrowing at $6\frac{1}{2}$ per cent. interest. We have the example of the Government of Bombay of wasting nearly 30 crores of rupees on its Development Scheme and of its being allowed to borrow at $6\frac{1}{2}$ per cent. tax free; we have also the third instance of the Sukkur Barrage scheme, which is now called the Lloyd Barrage scheme, and the association with this scheme of the name of the late Governor of Bombay carries with it the sure guarantee of its failure. But that is a question of provincial borrowing. What I am now concerned about is the Railway loans, and I say that the Railway borrowing has not so far been of a productive character; even now all that the Railways will be paying under the scheme of the separation of the Railway finance will be the interest and one per cent. on the capital outlay. But while that payment is limited to 1 per cent. on the capital at charge the power of the Railways to fix and raise rates and fares remains virtually unlimited. And, while in England the Railways cannot raise railway rates and fares without proper control, here the Legislative Assembly have no voice, the people of this country have no voice. The Government alone keep to themselves the power of controlling rates. But otherwise the Railways are quite free to charge anything either for passengers or for goods up to the maxima allowed under the law. When fares and rates can be and have been raised to an extravagant height, it is no proof that the railways are productive. The answer Sir Basil Blackett gave to Mr. Neogy's question about rates and fares the other day makes it quite clear that the Railways are not paying, (*vide* page 375 of the Legislative Assembly Debates, Vol. V, No. 6—Wednesday the 28th of January, 1925). There you find, Sir, that railway passenger fares have mounted up, from 1914 to 1924, third class fares by 54 per cent.; intermediate class fares by 72 per cent.; second class fares by 77 per cent.; and first class fares by 68 per cent. On an average railway fares have increased by nearly 54 per cent. As regards freight on goods, we find that, while formerly the average rate charged for carrying a ton of goods one mile was, in 1914, 4.64 pies, it is now 6.13 pies, or a rise of 32 per cent. The passenger fares have been pushed up as high as 54 per cent., the goods rate has gone up by 32 per cent., during the

interval of 1914 and 1924 some mileage must have been added to the Railways; when we take all this into account, the expansion of revenues from Railways will be found to be comparatively small. The percentage of increase in 1923-24 over 1913-14 has been 59 in the case of goods and 79 in the case of passengers. Sir, it will thus be apparent to the House that during ten years, the development of traffic has remained stationary or has advanced very little, and that the increase in the revenues is due to the small increase in mileage and to the fact that fares and rates have multiplied immensely. It is not the expansion of the volume of traffic so much as the addition to the rates and fares and a little addition to the mileage which has made possible the increased earnings from the railways. If Government are in this manner alone able to show that Railways pay their own way, we cannot allow them to borrow for Railways because the increased earnings have become possible only by increased taxation on travel and trade.

So far as the unproductive debt is concerned, well the less said of it the better. No part of it has anything to do with the welfare of India. Wars were undertaken in Abyssinia, in Egypt, on the Afghan Frontier, and many other places, and the cost of these wars has been charged to this country. And during this last war, a gift of 100 millions was made on our behalf out of the Exchequer of this country without the consent or without the knowledge of its people. Such are the various elements in the unproductive debt of this country. A writer, Sir, who is not an Indian, but apparently an independent financier, has been driven to say about this so-called Indian debt as follows (taken from "Undeveloped Wealth in India" published by Virtue Spalding and Co.):

"A more mean or unworthy policy was never followed by one nation towards another than that which the English Ministry has deliberately adopted towards India. As the whole world knows, the so-called Indian debt of £100,000,000, from the way in which it has been built up, would be promptly declared an English liability in any court of equity in the world. It is an English debt from beginning to end incurred by a dishonest trustee in the name of this war of purely personal advantages of his own."

That is not a statement of an Indian paper or of an Indian politician, but is taken from a thoroughly independent newspaper. (*The Honourable Sir Basil Blackett*: "It sounds independent, doesn't it?") Sir, it will thus be seen that the unproductive debt is made up as above described, and the so-called productive debt has not yet proved to be productive. In fact it has continued right up to date an unproductive debt. And still the Government go on borrowing year after year without regard to the capacity of the tax-payer to pay the interest charges. Forty crores of additional taxation have been levied during the post-war period. Every year 40 crores more are being taken from us. Of course, the Finance Member might prove that it is somewhat less—I have not the exact figures, but I will accept his correction if it is brought to my notice that the amount is somewhat less. (*The Honourable Sir Basil Blackett*: "I do not quarrel with it.") My friend Mr. Duraiswami hands me over a passage from "Financial Developments in Modern India", p. 270, which reads:

"The Crown of England formally sanctioned whatever disposal the Company was pleased to make of these revenues, upon the respectable condition that the Company paid £400,000 a year into the English Exchequer as the nation's share of the spoil. Conceal the fact, as we please from ourselves, or gloze it over as we may, the simple truth is that the nation gave the Company a great buccaneering commission to plunder the princes and people of India as they pleased, on condition that an annual contribution of £400,000 was made from their spoils into the English Treasury."

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This is somewhat different from what I have been referring to, but it confirms the general impression that the indebtedness of the country has been for the interest not of this country but of others. But I was showing, Sir, that during the post-war period we have had an additional annual taxation of 40 crores in order that the heavy deficits might be made good and in order that the extravagant administration, both civil and military, might be continued. Is it possible for this country to go on bearing this additional load of 40 crores of taxation partly at any rate for purposes which are not yet proved to be productive? I am not anticipating the Railway budget and I am not yet quite sure that we will sanction the whole of its capital programme, but, if we feel, Sir, that the railway Capital programme is not of a paying character, and that it can only be maintained by heavy taxation in the form of excessive rates and fares, then, Sir, the time has come for us to cry halt to further capital borrowings for Railways. This Rs. 40 crores of additional taxation must first go or must be substantially reduced. Sir, the problem before the House is whether we should sanction continuous borrowing without regard to the capacity of the taxpayer, whether we should sanction borrowing for purposes which are not yet proved to be productive and part of which are admittedly unproductive, whether we should not wait, pause and consider before we go on entering the market year after year borrowing 20 crores, borrowing 30 crores, borrowing 15 crores and borrowing 13 crores even at ruinous rates and at inducements which no Government should offer, or whether the time has not arrived when we should cry halt, and consider how far we should remodel our programme of capital borrowing; this is one part of the inquiry which I want.

The other part of the inquiry which I want, Sir, is with respect to the scheme of debt redemption or avoidance or reduction of debt, as it has been called. In respect to this scheme which has now been decided upon by the Government of India with the consent of the Secretary of State I have a complaint to make, and that is, that this Legislature and this country have been treated very improperly. When this House passes a Resolution recommending some action, Government sit upon it and begin to hatch it for months and sometimes for years; they take time to consider and to deliberate and they go on cogitating and cogitating. But if they conceive of an idea, then forthwith it is put into force. Sir Basil Blackett, when he adumbrated that scheme in the last Budget, gave us clearly to understand—in fact, I have got his words—that he was not proposing the new scheme for immediate adoption in the current year, but that he was simply putting it forward for the consideration of the House. He said he did not claim his scheme to be an ideal one, that it might require further consideration in the light of the discussion that it might provoke and of the assets and the property which we might possess against the debts, and that various other factors entered into the consideration of the scheme. Therefore he gave us the impression that he was not going to carry it into effect immediately. Well, Sir, in the September Session the Council of State discussed this question, and the irony lies in the fact that, while it was discussing it the Finance Member had already entered into communication with the Secretary of State and decided upon what to do.

The Honourable Sir Basil Blackett: No, not finally decided.

Mr. Jamnadas M. Mehta: Yes. The Honourable the Finance Member says "No." I will request him to turn to the Council of State Debates.

on Thursday, 11th September, 1924, when the Honourable Mr. McWatters replying on behalf of the Government to the debate on the motion of the Honourable Sir Maneckji Dadabhoy said:—

"Now, some time before notice was given of this Resolution, the Government of India had already been in communication with the Secretary of State on this question, and I am able to inform the House that complete agreement has been reached. Some minor details are still unsettled; but a Government Resolution will be issued shortly in which a definite scheme of debt redemption to cover the next five years will be laid down."

Does this show that anything was left out? A definite scheme of debt redemption was to be announced in a Resolution which was to be issued very shortly, and that was settled while the Council of State was discussing the Resolution. After this, I do not think it lies in the mouth of the Finance Member to say that he had not actually made up his mind while he was allowing the mere sport of a discussion in the Council of State. The debate appeared to be thoroughly inspired, but even that little inspired thing was not allowed to get to its end. Government had made up their mind. Such is the hurry with which the Finance Member does things. He complained of the existing provision for debt redemption as being haphazard and crude. Has the Finance Member taken into account all the factors which ought to guide any scheme of debt redemption? Has he calculated what are our productive assets and what is their present value, and what are the profits that we are getting? How much of our debt is absolutely unproductive and how much of it, if not productive, gives a continuous loss? Has he considered all these things? None at all. And yet, he has launched this country on a five years' programme of debt redemption as haphazard, as crude, based on no data whatever, and without waiting to inquire whether it would be desirable or reasonable. I feel that with proper management, with limited borrowings and with proper scrutiny of expenditure, the Railways can be made to pay. And in that case, the Government ought to see whether it is at all necessary to repay the Railway capital. The distinguished financial writer from whom I was quoting is definite on this point. He is quite clear in his mind that the Railway debt if productive or any other productive debt need not be repaid. My friend Mr. B. F. Madan of the Tatas, than whom there are few more capable economic writers and students in India, has also taken the same view in a pamphlet which he has recently issued. The Railway debt if productive is of the nature of capital investment in a remunerative project. Why do you want that any capital should be returned? It is not a debt; it is an investment, and why should you tax the revenues with the repayment of capital investment which is remunerative? Here is Bastable's testimony:

"That borrowing is justifiable to meet 'reproductive' outlay is a further part of the theory, which is at once true or false according to the meaning given to the term. Actual purchase of productive property or creation of revenue-yielding works may fairly be defrayed by loans. The property or particular work may be regarded as the primary object of the debt, and is at hand to pay the interest on it. What we have called 'economic' outlay has a claim to be met by borrowing that does not hold in respect to other forms. Taxation imposed for the purpose of adding to the domain has the disadvantage of taking the citizens' wealth for the purpose of accumulation, and should be employed sparingly, if at all. To meet the cost of the purchase of the Prussian railways, or even of the English telegraphs, by immediate taxation, even were it practicable, would not be correct."

And yet, that is precisely what the Finance Member proposes to do. He wants to repay the Railway capital by degrees—what Bastable calls "adding to the domain . . . for the purpose of accumulation".

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"What", he warns us, "should be sparingly used, if at all", because it is not a debt in the ordinary sense of the term—the Finance Member wants to repay from taxation. The scheme of debt redemption is faulty in the main, for the reason that it does not take into account the total asset in the Railways, the productive character or otherwise of that asset and whether it is at all necessary to return the capital to the owners so far as the productive debt is concerned. No limited company ever thinks of returning the whole of the capital. That capital is there. Why should there be so much writing off the block? That is entirely unnecessary. Even if it were possible, it should not be done because it involves unnecessary taxation. If the debt pays, why redeem it? Why tax the people for its repayment?

Then, Sir, about the debt on New Delhi, the Honourable the Finance Member proposes to repay it in 15 years. Mr. Madan pertinently asks, "Do the Government of India want a fresh capital, a new capital in 15 years?" Do they want to migrate to Nasik, the holy place; and perform penance there? Why do they want to repay the New Delhi capital expenditure in 15 years? The Public works of the Moghuls still remain after hundreds of years; so will New Delhi. I cannot understand why Government want to repay the whole of the capital expenditure on New Delhi in 15 years from revenue when it is going to be the capital of future generations for hundreds of years? Why should not the future generations bear the capital cost of New Delhi, and why should it be made good in 15 years, unless the Honourable the Finance Member has a suspicion that the buildings are rotten and may come down at any time? That suspicion might entitle him to rebuild Delhi again in a short time but it would not be owing to the fault of the people of this country. Then, Sir, similarly, you will have to consider whether the military loans ought to be repaid in the time within which the Finance Member wants them to be repaid. The other day I asked a series of questions in the House but the Government were not ready with an answer. I asked them whether they could tell us the total value of their capital assets approximately or even roughly, but one question after another remained unanswered because Government had got no information on the point. I turned to Sir Bhupendra Nath Mitra, I turned to Mr. Burdon—my Honourable friend, Sir Basil Blackett was probably not here at the time—but one and all of them failed to give us any idea as to the capital assets they have got as against their debt so far as non-railway unproductive debts are concerned. There are many military works. Every year we are building, out of revenue, barracks, military roads, and other military works, and the Public Works Department have built crores of rupees worth of works out of revenue. All these assets are there, and why are Government in a hurry to pay back the whole of this debt without taking into consideration the capital value of these existing stocks and assets? Must they not be taken into consideration? Where is the scientific scheme which the Honourable Sir Basil Blackett promised? Is this scientific? The only answer to it is that it is not, and therefore I would ask the House that it should go into a committee to consider and investigate whether, if at all, any scheme of debt redemption is desirable to-day when we have been waiting for some relief in taxation. When the Honourable Sir Basil Blackett wanted to levy an increased salt tax he caioled the House in 1923 with promises. He promised them, "You impose the increased salt tax. Be very good boys. Once we are back to balanced budget—we shall be very soon in the tidal

waters of property and then we can turn our thoughts to the pleasant ideas of the reduction of provincial contributions, the reduction of taxation and the promotion of nation-building works of a beneficent character." That is the kind of promise which he held out to the House of 1923 when he wanted to have the increased salt tax. Now when it is probable that he will have some balance, he neither turns to the provincial contributions nor to the reduction of taxation, nor to the pleasant thoughts of nation building works, but his thoughts turn to "home" to pay back the debts which this country owes. These debts are mostly English debts. Most of the capital portion of the annuities, the sinking funds on railways, a portion of the £100 millions which this country paid during the war practically all these 4 crores are to be paid over there. "Charity begins at home," says Sir Basil. But the House should not sanction such a thing lightly because it knows that the scheme is not at all founded on any scientific considerations. It does not take into account the capital assets we have against our debts. There are also other considerations; the sinking fund is a miracle if it is only scientifically managed, and even if we eventually decide to have a debt redemption scheme I ask the House to consider the various alternatives. If you spread a certain debt over 25 years and invest the amount which you lay aside every year in $3\frac{1}{2}$ per cent., or 4 per cent., or 5 per cent., the amount that you will be required to lay aside every year will vary considerably. The same will be the case if you spread your debt over 20 years, 30 years, 40 years, or 60 years, or 80 or 100 years, and the difference in the amount required to be laid aside every year is so miraculous that if you adopt a proper, scientific and well-thought out scheme of debt redemption, taking into account the assets as also the period of years, you will find that the burden will be amazingly light. If you spread your debt repayments over 100 years and invest the amount laid aside as sinking fund in 4 per cent., i.e., the amount that you will lay aside every year for 100 years, the debt would be not even three annas every year, and if it is invested in 5 per cent. it might even be one anna for every hundred rupees of debt.

The Honourable Sir Basil Blackett: Is there any guarantee that the rate will be the same?

Mr. Jamnadas M. Mehta: No. It all depends upon the prevailing rate of interest; it cannot be arbitrary.

The Honourable Sir Basil Blackett: The market rate?

Mr. Jamnadas M. Mehta: Yes. Unless we decide after mature consideration the period over which we have to spread our debt redemption and also the rate at which we can invest our sinking fund, we would be unable to arrive at any proper and considered scheme of debt redemption and in that case I would much rather that these 4 crores which the Honourable Sir Basil Blackett proposes so crudely to apply towards debt redemption should be used for the reduction of provincial contributions and the reduction of the heavy load of taxation which has been on our shoulders for the last seven years. Why should we continue to be taxed on the war basis? I therefore warn the House not to adopt any ready-made scheme in a hurry. I would also warn the House to consider if we are wise in borrowing for Railway purposes at the pace at which we are doing? Sir, I am very sorry that the Honourable Sir Charles Innes is not here—the other day at the Imperial Economic Conference he actually boasted

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instead of regretting that 95 per cent. of the capital expenditure on Railways was to be incurred in England, and yet when we sanctioned this five-year programme of borrowing, it was clearly understood that as large a part of it, as possible was to be spent in this country.

The Honourable Sir Basil Blackett: Will the Honourable Member refer me to that statement of my Honourable friend, Sir Charles Innes? I think what Sir Charles Innes said was that 95 per cent. of the expenditure incurred on Indian Railways outside India was incurred in England. That is a very different statement altogether.

Mr. Jamnadas M. Mehta: That is what the Honourable Sir Charles Innes is reported to have stated in the Imperial Economic Conference. If the Honourable Member has any doubts in the matter I shall be glad to produce my authority for it, but I have not got it ready now. I am not making any haphazard statement like his debt redemption scheme.

The Honourable Sir Basil Blackett: Obviously it is untrue to say that 95 per cent. of the expenditure incurred on Indian Railways was incurred in England.

Mr. Jamnadas M. Mehta: I said 95 per cent. of the expenditure incurred out of India was to be incurred in England. Why do you unnecessarily misunderstand it?

Mr. President: I do not think that I can allow such a statement to pass unnoticed. The Honourable Member has put into his own mouth a statement which he did not make. It is one of the courtesies of debate that, when an Honourable Member is corrected and he finds his original statement to be incorrect, he accepts the correction.

Mr. Jamnadas M. Mehta: I am unable to understand what you have said, but what . . .

Mr. President: The Honourable Member made a misstatement and he was corrected. Then he proceeded to repeat the corrected statement as his own without acknowledging his mistake.

Mr. Jamnadas M. Mehta: If I had said that 95 per cent. of the capital expenditure was incurred in England, it was an incorrect statement. That was not what I meant. What I meant to say was this, that 95 per cent. of the expenditure that was to be incurred out of India was to be incurred in England. I stick to that. That is the way in which the railway expenditure is being incurred for the subsidising of English industries and the encouragement of technical crafts in England. If these two things, namely, whether future borrowing for Railways are wise and whether the proposed redemption scheme is sound, be made clear we can go about our way with greater confidence. But, unfortunately, we are in the dark in both these matters. We are neither sure that our capacity to go on borrowing exists, nor that our borrowing is for remunerative purposes, nor that our scheme of debt redemption is a sound or well considered one. For these reasons I move that we should have a committee which will investigate all these problems. Further, when Government have got so many committees for investigating so many problems, I cannot understand why they should not of their own motion have appointed a committee of this character. There is however one difficulty. I had expected this Resolution would be reached early in January and therefore I asked for the whole of the inquiry to be

made before the next Budget, but I now find that the chances of the ballot have not been so propitious to me as they might have been and therefore I have accepted the amendment of my friend Mr. Rangaswami Iyengar that so far as the debt redemption scheme is concerned it ought to be considered and reported upon before the next Budget and that the consideration of the rest might wait till June or July or September. But, Sir, the whole problem is of great importance to the starving millions of this country. Remember, Sir, that when the great war was being waged India was bled white. Remember, Sir, that when empires were vanishing, when crowns were going into the melting pot, when the geography of the world was being rewritten, India stood by its Government and, in the words of Lord Hardinge, was bled white, not in the interests of this country

The Honourable Sir Basil Blackett: What Lord Hardinge said was "bled white of British troops."

Mr. Jamnadas M. Mehta: Is it not therefore necessary, Sir, to give her tax-payer some relief from this heavy load of taxation and debt? I have done, Sir.

With these words, I move my Resolution.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I beg to move the amendment to the Resolution of my friend Mr. Jamnadas Mehta which he has already mentioned to the House. That amendment is merely this, to omit the words "before the next Budget" in Mr. Jamnadas Mehta's Resolution for the reason that it will be impossible for any committee that may now be appointed to go into the whole of this vast question and make a report in time for the next budget; and at the same time, to add to the Resolution the following words:

"And in the meantime to make recommendations before the 5th of March 1925 as to the provision, if any, that should be made in the Budget of 1925-26 for the reduction or avoidance of public debt."

My reason for supporting this Resolution with this amendment is much more circumscribed than the very general issues which have been raised in the speech which my friend Mr. Jamnadas Mehta has made to us. My main concern is with the manner in which our surpluses are going to be dissipated by means of this debt redemption scheme. In the first place, this debt redemption scheme was adumbrated by the Honourable the Finance Member in March last and he indicated to the House that the preferable course for framing a debt redemption scheme of this kind would be to make what he called a statutory programme. He said:

"It is much to be desired that in the near future we should arrive at a definite programme. It might be with advantage a statutory programme for dealing with this subject."

We had therefore every right to expect that any programme that the Government might have thought fit to decide upon, ought to have been put before this House as a statutory programme and this House should have been asked to state what its views are and what scheme of debt redemption this House should sanction. As my friend Mr. Jamnadas rightly pointed out, that course was not taken, but an inspired motion was brought up in the Council of State and the Government then said "Oh, we have made up our mind," without giving this House any opportunity to discuss or offer its opinions thereon. Therefore, I say this House has every right to complain and this House has every right to go into this question of debt redemption and to give the Government its considered views

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as to how the Government should frame their own debt redemption scheme. We have been told that this debt redemption scheme is in the nature of a rounding up of the whole of the present system of sinking funds of railway annuities and many other things. I want to know whether the Finance Member is really proposing by this scheme to institute in this country a kind of general sinking fund for the wiping away of what we may call the dead weight debt of this country. If that is so, then I am afraid his explanations both in the budget statement of last year and also in the other place do not bear it out. Out of the total of 900 and odd crores of debt in this country there is barely about 268 crores which is of the nature of unproductive debt. All the rest of it is debt which has been borrowed for productive purposes and it is yielding us now a very good return. If we analyse the figures further and find out what this 200 and odd crores of unproductive debt is really made up of to-day, we shall find that, while the whole of the earlier unproductive debt in this country had already been wiped away by means of the taxation of this country, this 200 and odd crores consists only of the 100 millions war gift that we made and the 100 and odd crores of deficits during the past few years which were made up by borrowing. If this is all the unproductive debt of this country, I ask where is the necessity for providing a sinking fund? Is it to be said to us that the amount of this debt in relation to the resources of this country and even in relation to the means of the poor tax-payer of this country, is so big that you should immediately provide out of extra taxation a surplus which would go to amortise this debt? I say—No; and I believe the Finance Member himself practically conceded this position when he said last year that this scheme of debt redemption or this provision for wiping off this indebtedness, is only “a contribution out of revenue towards productive capital expenditure.” So, we arrive at this question. Do we want in this country that we should raise taxes in order that those taxes may be invested in productive capital expenditure? Is that a sound proposition? That seems to me to require further investigation. I desire, again, to quote the Finance Member. He said:

“So long as we have a considerable annual programme of new productive capital expenditure any provision for a sinking fund operates not to reduce the total amount of our debt but to reduce the amount of debt which is unproductive, and (mark these words) the amount thus provided thus becomes in effect a contribution out of revenue towards productive capital expenditure.”

“Therefore, Sir, I contend that it is not right that this country should go on being continually taxed for the purpose of providing capital for productive expenditure. Then the next question, Sir, is, is it necessary to make this provision even for our productive capital expenditure? What is this productive expenditure? Most of it, as has been admitted, has been invested in Railways. I do not want to go into the history of the past of these Railways. My friend, Mr. Jamnadas Mehta, has referred to the awful losses which have been inflicted on this country, but they have all been recouped by the taxes which the tax-payer of this country has borne by which these losses were paid for. But in regard to this present productive expenditure on Railways, I ask, Sir, after the scheme for the separation of Railway from general finance has been brought into operation, after the full programme by which Railway expenditure is hereafter to be financed has been sanctioned by this House, I ask is it necessary that we should again dip into our general revenues and make a further provision in regard to guaranteeing or meeting any fancied risks in regard to the productive capital expenditure on Railways? I do

12 Noon.

not want to anticipate what the Railway Budget is likely to show. But I know, Sir, that the Railway Budget must provide what is called a depreciation fund in respect of the assets covered by capital expenditure on Railways. It also provides a reserve fund. I ask, again, whether we should provide a third fund and call it a sinking fund and pay out of the taxes one or two crores into it in order that this fund may be mounted up for being invested in productive Railway capital expenditure. I say that is not just to the tax-payer. I then ask the question, assuming that it may be found feasible to invest this money out of the revenue in Railway capital expenditure, is it right, is it just to the tax-payer, that this money should be raised and that any surplus that is realized out of the revenues now raised should be put into this sinking fund? My answer is again, "No", because, according to the promises and the pledges of the Government, pledges which are far more important than the pledge which we have made to redeem even some of our maturing debts, the first claim to any surpluses of this Government is that of the provinces which have been contributing 9 crores every year and which ought long ago to have been relieved of this burden. The Honourable the Finance Member in his first financial statement in 1923, has definitely given this pledge to this House and to the Provincial Governments. The Government of India have said plainly that "as soon as they are able to do so, they intend to reduce and eventually to extinguish these contributions." I therefore claim, Sir, that before proceeding to lay by any part of the revenues of this country towards this scheme of avoidance or reduction of debt, the Finance Member ought to make it his business to reduce and extinguish the provincial contributions.

Then, Sir, next to the provincial contributions comes the claim of the tax-payer himself. My friend Mr. Jamnadas Mehta, very rightly pointed out that during the past few years this country has been burdened with a net addition of 40 crores per annum in the shape of additional taxation, including that odious duty on salt. Therefore, Sir, next to the claim of the provinces the claim of the tax-payer has to be met; and I say that until the heavy, the unbearable burden on the tax-payer is relieved, we ought not to take away realized surpluses out of revenues to put them into this sinking fund for the purposes of productive expenditure on Railways.

Then there is a third point I wish to press upon the attention of the House. It is this. When we consider the claims of the tax-payer I think, Sir, we should also consider the claims of the betterment of this country, the improvement of this country the improvement of its industries, and we must do our best to relieve industries of the burden and the shackles which are imposed upon them. From that point of view again, Sir, I submit that the claim, for instance, of the cotton industry to a remission of the odious excise duty is superior to the claim of the railway sinking fund or of the depreciation fund or reserve fund. I do not want, Sir, that the Finance Minister should once again in the next Budget put us on the horns of a dilemma and say, "Here is two crores; you may either take it for the purpose of relieving provincial contributions or relieving the cotton excise duty": in the meantime taking away another two crores—the figures are hypothetical—for the railway sinking fund. It must be possible to do both. (*The Honourable Sir Basil Blackett*: "Why not give it all to provincial contributions?") Not necessarily. I do not dictate that. So far as that is concerned we are quite prepared to examine each of them on its merits when the

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Budget is presented. I say, Sir, so far as that is concerned, this fund for the avoidance or reduction of debt is not the head to which all these surpluses should be diverted. I may point out, Sir, that I have very high authority for saying that "where inconvenient and oppressive duties are levied it may be wiser, even with a view to ultimate repayment of loans, to relieve industry of these duties and trade of its heavy burden and trust to the increased productiveness of the reformed system for compensation," instead of trying to redeem debt. We all know, Sir, the classical examples of Peel and Gladstone when each of them relieved British trade from the shackles of the taxes and duties which were imposed on them. I say, Sir, that in that category we must place the cotton industry of India to-day. (Mr. M. A. Jinnah: "We have not got a Gladstone.") Well, we have Sir Basil Blackett. But what I object to is that it is very unfair, and it is not sound finance, to keep taxation at a high level for the purpose of producing a surplus which really is not given back to the people. The real surplus, the real sinking fund, which Finance Ministers should rely upon is the sinking fund that lies in the contentment of the people, in the contentment of the peasantry, in an equal and low land tax and in a flourishing industry which is relieved of the burdens now imposed upon it. It is that that is more necessary than the provision of these sinking funds which are after all, what the famous sinking fund of William Pitt turned out to be in the end.

Sir, I do not at all deprecate the starting of a real sinking fund, but if a sinking fund is needed and has to be started at all, it must be only after meeting the claims of the tax-payer and the provinces. I wanted that a sinking fund which is started in this country should be started after mature consideration of all the claims made on what I may call "the national heap." I think the Finance Member ought not to rush his programme of debt reduction in the manner he has done. For, Sir, after all, as Sir Josiah Stamp once said:

"The State unlike the individual does not die. It can take a long view. It can therefore finance itself by methods which would be too far-reaching in the space of time involved for individual businesses."

Why should we be in a hurry to invent any wild-cat schemes for relieving this country of 200 crores of indebtedness by a scheme of debt redemption which really places the tax-payer at a disadvantage, which places industries at a disadvantage, and above all which places the Provincial Governments, which are starving for want of resources, at a most serious disadvantage? I therefore think, Sir, that it is absolutely necessary that this House should have an opportunity of going into this question thoroughly after it has had a report from competent people appointed by this House, if necessary, with the assistance of experts: and it is for that reason that I have great pleasure in supporting my friend, Mr. Jamnadas Mehta's motion, with the amendment that I have proposed.

Mr. President: Amendment moved:

"To omit the words 'before the next Budget'."

The motion was adopted.

Mr. President: Further amendment moved:

"To introduce the words 'and in the meantime to make recommendations before the 5th of March 1925 as to the provision, if any, that should be made in the Budget of 1925-26 for the reduction or avoidance of public debt'."

The Honourable Sir Basil Blackett (Finance Member): Sir, when I first saw this notice on the paper I was somewhat puzzled as to what its intention was. It did not at first occur to me that it was one of those familiar raids on the sinking fund which occur in all well-organized Parliaments. I was puzzled as to what this Committee was going to do. I was puzzled also at the recent fondness of this Assembly for the appointment of Committees. If all the Committees proposed by the various Resolutions that have been put before this House for Committees of this House to examine various subjects were appointed, I do not think we should ever have a quorum in this House or, alternatively, that any of those Committees would have any quorum. As regards this particular question, the appointment of a Committee to report before March the 5th, with the best will in the world even if we were all agreed as to its advisability, I must put it to this House that it is obviously out of the question. At this period of the year the Finance Department is sitting up all night or something like all night in preparing the Budget figures. This House itself has got the Railway Budget to occupy the whole of its day time next week, and the week after, the general Budget will be before the House. The Finance Department could not possibly provide Members of this House with the sort of figures and the sort of statements that a Committee of this sort would have to consider, nor could this House provide Members to sit on such a Committee without their being taken away from their necessary duties inside this House itself. I make that comment as regards the Committee itself, though I hope I shall convince the House by what I am going to say that this is not a case where a Committee can usefully be appointed. I desire also to make one preliminary observation. Mr. Jamnadas Mehta spoke of something being laden with milk and honey. Well, his speeches are not so laden with milk and honey, and I do make a serious complaint that the Honourable Member comes here and makes speeches which, to adopt one of his own adjectives, are extremely crude, and uses arguments which he either knows or ought to know to be intentionally misleading

Mr. Jamnadas M. Mehta: On a point of order, Sir. Is the Honourable Finance Member justified in saying that another Member was intentionally misleading?

Mr. President: The Honourable Member has only anticipated my rising. The Finance Member must find some other word to describe what he thinks of the attitude of other Members. Every Member in this House must accept the *bona fides* of every other Member of the House.

The Honourable Sir Basil Blackett: I must withdraw at once the word "intentionally." I will say that the Honourable Member ought to know better than to use arguments which are so obviously misleading.

Let me now turn to the question before the House. Some figures have been given, but I think it will be useful if I treat the House to some rather dull statistics, because they are necessary for the purposes of this argument. Let me begin by giving the figures of our gross debt of all kinds on the 31st March, 1914, on the 31st March, 1924, and on the 31st March, 1925. The last two sets of figures are of course to some extent estimates, but for present purposes they are sufficiently accurate. The gross debt on the 31st March, 1914, was 551.29 crores. On the 31st March, 1924, it was 968.83 crores. On the 31st March, 1925, the gross figure was 1,013.02 crores. I am laying on the table, for the sake of

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completeness and in order to reduce the length of my speech, a statement* giving the detailed figures for each of the three dates. In 1914 there was no provincial debt properly so called: all sums borrowed for provincial purposes were included in the Government of India's own debt. We may take the figure as being 71·99 crores on that date—the amount then borrowed for the purposes of the provinces. Since the reforms the Provincial Governments have borrowed a certain amount on their own account in the open market, and a considerably larger amount has been borrowed by them directly from the Government of India. The figures are:—On the 31st March, 1914, borrowed from the Government of India, 71·99 crores. On the 31st March, 1924, borrowed from the Government of India 97·56 crores; borrowed in the open market, 15·51 crores, making the provincial debt at that date 113·07 crores. On the 31st March, 1925, borrowed from the Government of India 110·36 crores, borrowed in the open market, 15·51 crores: total 125·87 crores. This makes the gross debt of the Government of India and of the Provincial Governments taken together on the dates named, in crores of rupees, 551·29, 984·34 and 1,028·53 crores, respectively. These are of course gross figures, including productive and unproductive, internal and external, funded and unfunded debt. Our productive debt on the dates named, namely, on the 31st March, 1914, was 524·71 crores, on the 31st March, 1924, 689·10 crores, on the 31st March, 1925, 747·08 crores. I have treated the whole of the Provincial Governments' debt in these figures as being productive. That is very nearly but not quite accurate as some small amount has been borrowed for budget deficits by the provinces and some further small amount has been borrowed for what are not exactly productive purposes, that is, capital expenditure on buildings and one or two things of that sort, but for practical purposes the exception is so small that we can treat the whole of the Provincial Government debt as being productive debt. And further as it is the provinces which pay interest to the Government of India on this part of the debt and as it is not a part of the debt which concerns the tax-payer of the Central Government at all, I think that the simplest way of treating it is to exclude it from our total figures. If we do that, you get the following:

Total Debt (excluding Provincial Debt.)

On 31st March 1914 was	479·30 crores.
Of which, productive	452·72 „
Unproductive	26·58 „
On 31st March 1924	871·27 „
Of which, productive	576·03 „
Unproductive	295·24 „
On 31st March 1925	902·66 „
Of which, productive	621·21 „
Unproductive	281·45 „

It will be seen that in the period from 1914 to 1924, *i.e.*, 10 years, the unproductive debt increased by 268·66 crores. That is an important figure. It is a very undesirable feature no doubt; but when we consider what has been the experience of every other country in the world, neutral as well as belligerent, during the ten years from the outbreak of the war, I think

* Vide Appendix "A" to these Proceedings.

that we cannot but regard the moderateness of the increase in India as by comparison a matter for satisfaction—by comparison only. During the current year, we estimate that the increase in the productive debt has been 45·18 crores; the increase is almost entirely accounted for by Railways, and includes not only the new capital expended on the Railways during the year on development, but also an amount of £18½ million of the East India Railway Company's debenture stock taken over by the Government at the same time that the East Indian Railway was taken over; this of course is not an addition to the debt of India as a whole—it is a transfer from the Railway Company to the State of the liability to pay interest to the same people out of the earnings of the same Railway; but of course it appears as an increase in our gross figure, the borrower as such being now the Government of India.

The unproductive debt has decreased during 1924-25 by 13·79 crores according to the figures which I have given. But that is the nominal decrease only. The real burden has been decreased by a larger amount, because to the extent of 1½ crores there would have been a further decrease if it had not been for the conversion of sterling 7 per cent. bonds into 3 per cent. stock—an increase which about doubles the nominal total of the debt in question but reduces the burden of the interest.

The next point for consideration is the division of our debt into External and Internal Debt. I take the rupee at 15 to the £ for purposes of comparison and I continue to treat the Provincial Debt as being entirely excluded and as entirely internal. On the 31st March 1914 our internal debt was 107·80 crores, leaving out the provincial debt, and our external debt was 371·50 crores. On the 31st March 1924 the internal debt was 385·43 crores and the external debt was 485·84 crores. On the 31st March 1925 the internal debt would be 390·85 crores and the external debt 511·81 crores. It is satisfactory to note that since 1914 the increase has been very much more considerable in the internal than in the external debt. It may also be observed that if the Provincial Debt of 125 crores on the 31st March 1925 were added, the total internal debt is now, I think for the first time, higher than the total external debt. I would also point out that if we take the current rate of exchange of 1s. 6d. the external debt would be about 451 crores.

Now, why has our external debt increased during the last year? We have not issued any external loan. The explanation is the same as that already given in another connection. It is that the later figure includes the 27·75 crores—namely, £18½ million—of the East Indian Railway Company debenture stock—and the addition of 1½ crores for the conversion of the 7 per cent. into 3 per cent. stock. Apart from these nominal changes we have actually during the year reduced the external debt by nearly £2½ millions and have also reduced the amount of the interest that we have to pay.

Now, as regards the interest charges, as this Resolution reads it speaks of the capacity of the tax-payer to pay the interest. I shall have to point out directly that the extent to which the tax-payer as tax-payer pays interest is not in any sense the gross figure of the debt on which the Honourable Mover laid so much stress. The gross charges for interest on all debt including the debt of the Provincial Governments amounted in 1923-24 to 4·106 lakhs and in 1924-25 to 4·054 lakhs. I draw the attention of the House to the small reduction that has occurred in 1924-25 in the gross interest charges, in spite of the increase in the nominal total.

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of the debt and of the increased amount which we have spent on capital development in India. This decrease is in part due to conversions and to the debt carrying a slightly lower rate of interest, but it is mainly accounted for by the rise in the rate of exchange. But it is not the gross charges for interest which really concern the tax-payer. What he is concerned with is the amount of interest which he has to provide out of taxation. I propose to diverge for a moment on this point and deal with the observation which Mr. Jamnadas Mehta made about our productive debt. Some of the figures that he gave about the Railways from 1858 to 1918 are inaccurate in the sense that they do not make full allowance for certain considerations which are certainly relevant. They are mere arithmetical figures—(Mr. Jamnadas M. Mehta: “They are from the Acworth Committee’s Report”)—they are arithmetical figures without explanation; but they do not in any case touch the question of what our productive debt is yielding to-day. We have got certain figures for Railway debt; that debt is yielding us the full amount of interest that we require to pay, the interest on what we have borrowed. It is yielding us in addition a contribution over and above that amount. Therefore from the point of view of the tax-payer, whatever may have been the previous history of the Railways, the present position is that the tax-payer is bearing no burden whatsoever in respect of the Railway debt; but on the contrary is being relieved to the extent of the contribution. I do not want to go further into that. (Mr. A. Rangaswami Iyengar: “He is entitled to be reimbursed”.) He is being relieved of the burden; and as regards what the Honourable Member said about the rise in fares and freights on the Railways, I would point out to him that his own figure is that the railway fares increased by 54 per cent. and freights by 32 per cent.; during that period average prices in India have increased by considerably more than either 54 or 32 per cent., that is to say, that owing to the extremely good management of the Government they are able to run Railways now in comparison with general prices at a less increase than has occurred in the average of all other general prices. I do not think I need spend more time on the argument that our productive debt has not been productive in this connection—it has been fully answered by the Honourable Member himself in the second part of his speech when he was arguing against any provision for reduction and by Mr. Rangaswami Iyengar who spoke of our productive debt as yielding a very good return.

Let me return to the burden of the interest charges. The gross charge, as I said, is 41.06 lakhs in 1923-24 and 40.54 lakhs in 1924-25. The net interest charge paid by the tax-payer on unproductive debt is 15.86 lakhs in 1923-24 and 13.82 lakhs in 1924-25. But even these figures overrate the burden on the tax-payer. To arrive at the true burden, we have in the first instance to set off receipts on temporary investments of balances. It is, I think, justifiable to regard all these receipts as a set-off against the burden of interest charges paid by the tax-payer from taxes. But I do not want to enter into a controversy with Mr. Jamnadas Mehta and so I will exclude the interest on the Gold Standard Reserve and the Paper Currency Reserve, and I will take only the interest earned on the cash balances in London. This amounted to 57 lakhs in 1923-24 and 64 lakhs in 1924-25. In addition the tax-payer receives a contribution from the Railways which amounted to 6.44 crores in 1923-24 and about 5.64 crores in 1924-25. So that, the amount that the tax-payer has to meet by way

of interest out of taxes comes down to 8.85 crores in 1923-24 and 7.54 crores in 1924-25; that is, the burden on the tax-payer for meeting interest on debt is just under 9 crores in 1923-24 and $7\frac{1}{2}$ crores in 1924-25. That is what has to be raised by taxation. All the rest is paid for by means other than taxation. The burden of the interest that has to be met is the amount that is not covered from other sources which, as I said, is just under 9 crores in 1923-24 and about $7\frac{1}{2}$ crores in 1924-25.

Mr. Jamnadas Mehta spoke of the position in England and said it was unfair to compare the Indian debt with the debt in the United Kingdom. Of course, a comparison of that sort without any explanation is always apt to be misleading. But let me remind the Honourable Member that at the present time, leaving out of account the sinking fund, the British tax-payer is paying three hundred million pounds of interest on unproductive debt, whereas the Indian tax-payer paid, as I said, just under 9 crores in 1923-24 and about $7\frac{1}{2}$ crores in 1924-25. I need not cite any more figures, because these figures speak for themselves. They are not particularly relevant, and I am mentioning them merely to answer Mr. Mehta's point.

Now the question of the interest on debt has one other interesting side to it, and that is the amount that has to be found outside India and the amount that has to be found inside India, but the matter has not been referred to to-day, and quite rightly, because it is not the question of the burden on the tax-payer, it is a question of the balance of payments, of the balance of imports and exports.

Mr. A. Rangaswami Iyengar: It is a question of drain, I say.

The Honourable Sir Basil Blackett: I would point out that in so far as the interest is from productive debt, the money to pay it would not exist at all but for the capital expenditure, and it is hardly fair to use the word "drain" without some further consideration.

Now, I come to the question of sinking fund, which is the real onus of complaint against me to-day. It seems to be thought that the Government of India have done something to increase the amount that is provided for sinking fund. The whole of this 4 crores odd, for example, which they spoke of, is treated as if it were something new. As I pointed out a year ago, it is in great part a restatement on what I still regard as a reasonably scientific basis, in spite of Mr. Jamnadas Mehta, of the amount required to deal with our debt. It is not any great increase on previous figures, and I am sure this House will be very careful before it joins with any one and demands that we should relieve taxation or relieve the Provincial Governments by a raid on the sinking fund. It is always a dangerous and shortsighted policy. The amount that we are providing will be dealt with more fully in the Budget. I do not want to anticipate the budget speech to-day, although I have had several incitements to do so from various quarters. The question of the sinking fund, however, has to be considered in relation to the Budget as a whole and there are difficulties in dealing with it separately. The Honourable Member who spoke second asked whether this was a scheme for getting rid of our unproductive debt. That is one aspect of it. The effect of it will be—I have not got exact figures worked out—but the effect of it would be, if it operated quite smoothly with no accretions and no raids, and if you took an average rate of interest at 5 per cent. to get rid of the unproductive debt in about thirty years. After that date, the rest of the debt would for the time being involve no direct interest charge on the tax-payer as such. Mr.

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Jamnadas Mehta in speaking said that you would have to fix the rate of interest at which you are going to use the sinking fund. I would suggest to him that the market would have something to say to that. It depends on the market rate. The market would not allow you to use the fund at whatever rate you chose to fix in advance. What does he mean by a plan for "fixing the rate" at which the fund is to be used? I am not sure what he meant, but that was what he conveyed to me. Now, there is, as I said, another aspect of the sinking fund. It is a provision out of our revenue for reduction or avoidance of debt. That brings me to what is really the very important consideration that is before us to-day. Fortunately for ourselves we have no maturing debt in the United Kingdom until, I think, 1931-32. When the 5½ per cent. stock falls due to be repaid, and we shall have to meet a maturing debt in England of about 20 million pounds after allowing for sinking fund operations. Therefore, so far as maturing external debt is concerned, we are not in any special difficulty at the present moment. But in India the position is very different. In every year up to and including 1933-34, except I think 1929-30, we have blocks of bonds maturing, the largest amount being 37·90 crores of 6 per cent. bonds which mature next year—in 1926. The aggregate amount to be dealt with in the ten years is 175 crores 76 lakhs,—3½ crores this year, just under 38 crores next year, 27½ crores in 1927, and about 25½ crores in 1928. These bonds carry either 5½ or 6 per cent. interest, and there are some redeemable at a premium. It is of the utmost importance from the point of view of the country as a whole, both to the tax-payer and in this instance to the railway user too, that we should not only be able to renew these bonds in some form or other as they mature, but we should be able to renew them, if possible, at a somewhat lower rate of interest.

Now that is not all. Personally, I hold very strongly and have stated it more than once, that the greatest need of India to-day is for new capital expenditure both by private enterprise and in those spheres such as Railways and Irrigation in which the capital funds have to be provided from Government sources. I am glad to have the support of Mr. Rangaswami Iyengar there too. He said that one of the important considerations we have to bear in mind to-day was the betterment and the development of this country and its industries. Now, I believe there is an immense field for new capital expenditure, new capital enterprise, for the development of India. The period of five years for which our capital expenditure of 30 crores on the Railways was fixed comes to an end, I think, in March 1927. But on the one hand, it is unlikely that we shall have completed the programme of 150 crores by that date. We are not spending at the rate of even 20 crores, at any rate we have not been doing so,—and on the other hand, it is most likely that we shall have other directions, some really urgent, in which it is desirable to develop our Railways. We want to spend money on the general development of our communications, to the great indirect profit of the Indian public as a whole and to the direct profit of the tax-payer. In addition a great number of development projects are already under weigh which have to be financed largely by the Central Government. Some of them have been referred to to-day. I do not take the view that Mr. Jamnadas Mehta flippantly takes either of the Sukkur Barrage or of the Bombay Development schemes. They are at any rate sanctioned by the authority of the Bombay Council and they are commitments which we cannot go

back on. In addition, there is the big Sutlej Valley project in which the Punjab Government is interested as well as one or two Indian States. There is the Cauvery project in Madras under consideration as well as other Madras projects. Now, even if some small portion of this expenditure is met out of loans raised by Provincial Governments direct—and there are some considerations in favour of loans raised direct by Provincial Governments in some of these cases—even if some part is so raised, it must be remembered that the appeal is to the same class of lender. Any money so raised comes out of the same sources as the money raised by the Government of India loans and the two are to some extent in competition, and, if the provinces are successfully borrowing—as I hope they may be—it will necessarily mean that the amount available to be lent to the Central Government is thereby restricted. There is only one ultimate source so far as internal borrowings are concerned, the new savings of India, that is the new capital created each year by India. Now, I have had an estimate framed, which must necessarily be to some extent conjectural, of what we shall require at any rate during the earlier years. It is based on commitments during the earlier years,—it is an estimate of what we shall require to raise in the way of new money in the market in the next five years, from which to finance the Railways and these provincial schemes, and any other Irrigation schemes that may come on and any other loans of any sort, whether they are for development in Bengal or elsewhere, which may have to be raised in the market. The estimate works out as follows. In the five years, 1925-26 to 1929-30 inclusive, we want something approaching 25 crores a year for Railways and a further 20 crores a year for Provincial Governments and other requirements. It is perhaps not unlikely that progress will be a little less rapid than these figures assume. They amount to 45 crores a year, but let us take the figure at 40 crores a year. Add to that the sum of 94½ crores we have to re-borrow on the average year by year for the next five years to deal with our maturing debt. You get a total of nearly 300 crores of money that has to be financed in the next five years, whether by Provincial Governments or by ourselves. Now, there are two ways in which the sinking fund helps in that matter. In the first place, it reduces the amount that you have to re-borrow. If you take the amounts that are provided by the Provincial Governments for sinking funds on their debt which they are paying to the Government of India, which thus becomes available to be re-lent, and the amount of the sinking fund that is provided in the Central Government's budget, all of which is in a sense available to be re-lent, it reduces the amount of the new financing that you have to do. That is a very important point. If by that means and by means of the Post Office Cash Certificates—whose virtues in spite of Mr. Jamnadas Mehta, I commend to the public: Mr. Jamnadas Mehta has never yet found anything to praise in the Government of India so that one need not be surprised that he does not even praise one of the best things they have done—if out of the sinking funds and the proceeds of Cash Certificates and other similar sources we can keep the amount that we have to borrow in the open market down to a figure of about 20 crores or so, I think we shall have made a very important contribution to what is obviously a very difficult ways and means problem facing the Government of India at the present time. I do not say that we shall require to borrow 20 crores next year or 20 crores in any particular year. That figure is merely the average for the next five years and the minimum that we shall require.

[Sir Basil Blackett.]

The second point in which the provision of a sinking fund makes a difference is in the confidence that it gives to those who lend us money. I have heard from a good many sources

Mr. A. Rangaswami Iyengar: You have now withdrawn the 80 lakhs fund which you added in 1922 and 1923 with a view to give confidence, so, the confidence was there.

The Honourable Sir Basil Blackett: I have heard from a good many sources both inside India and outside India that the adoption of the scheme for regularising our programme for reduction or avoidance of debt has been received with very great satisfaction. It has given a very considerable additional confidence to the market in regard to the security of the money which they invest in Government of India securities, both internal and external, and, if we are going to borrow or reborrow anything approaching the figures that I have mentioned just now, we shall undoubtedly save in interest as a result of the lower rate at which we can borrow owing to the existence of this sinking fund an amount equal to the whole of the extra sinking fund during that period. It is one of the best possible investments we could make. To interfere with it now would be to destroy at a blow our prospect of carrying out the developmental schemes which are actually in course of progress. It would be to retard the development of India's latent capacities for industrial and agricultural and other development, to slow down the rate at which we could improve communications in India. It would be a most disastrous interference with the whole position as it stands to-day. I was very glad indeed to have the opportunity that is afforded by this Resolution to take the House and the country into the confidence of the Government in regard to this very serious ways and means question that is before us, our maturing debt and the amount of our new capital requirements. I do not want the figures to be regarded as alarming. They are very serious but it is a financial problem that is not, I think, beyond the capacity of India to deal with, provided that she approaches it with circumspection and does not go in for "wild-cat" schemes for raiding the sinking fund. If any Honourable Member regards it as rather a dangerous difficulty before us, I would suggest that he should turn to the speeches made on introducing the Budget in the House of Commons by the Chancellor of the Exchequer about 1921 and 1922. In his budget speech in 1921, Mr. Austen Chamberlain pointed out that in addition to a Floating Debt of £1,275,000,000, the whole of which required renewal within a year, there was a further £300,000,000 of other maturing debt to be dealt with within that year, over £800,000,000 more within five years, and a further £850,000,000 in the two succeeding years thereafter. This position has been bravely faced by the United Kingdom and has been very satisfactorily met. One of the ways in which they have met it is by the provision of a growing sinking fund which is statutory and is not subject to the annual vote of the House. Reference was made just now to the possibility of a statutory sinking fund in this country. The constitutional question thereby raised is one in which I am personally considerably interested and I hope it will in due course be one of the regular arrangements in this House that there will be consolidated fund charges which are the subject of statutory enactments by this House, which are secure from any raid by Mr. Jamnadas Mehta at any time during the Budget discussion, fixed by Statute in such a way that the question cannot be reopened annually. But that is obviously a constitutional question which

we cannot enter into at the present moment. It is an interesting subject. But I do not think that it is quite fair that the Government of India should be accused of some undue or indecent haste in regard to this matter of the sinking fund. The subject was laid before the House at considerable length last March. There was every opportunity on the Budget for its discussion. Such discussion as took place was almost unanimously in favour of the general principle of the scheme and, so far as the amount was mentioned, of the amount. In the Council of State, on more than one occasion, exactly the same line was taken. That the Government of India should now be accused of having rushed it through is, I think, a little unfair, if I may use that expression.

Mr. A. Rangaswami Iyengar: What I said was not that they rushed it through but that the Government should have come to this House and explained to us the scheme before they finally sanctioned it.

The Honourable Sir Basil Blackett: They did come to this House and explain the scheme very fully last March.

Mr. A. Rangaswami Iyengar: And they should have taken the verdict of this House.

The Honourable Sir Basil Blackett: It was a matter within the competence of the Government, but instead of announcing it as they might have done, shall we say, a year ago, they put it before the House in a tentative form and in the light of the discussions that took place both in this House and in the other place they framed their final scheme. If it is to be made a complaint against this Government that they give the House an opportunity of discussing a thing in advance, I really think that we are getting far away from any reason or logic. The position, then, is that we have got the serious problem before us of financing a large programme both of maturing debt and of new borrowings. That a raid on the sinking fund at this stage would be a disastrous interference with the whole position, I may warn the House very seriously. I can imagine few actions that would do more damage to India's financial position at the present moment than a raid on the sinking fund.

Mr. A. Rangaswami Iyengar: I never suggested it. I only wanted an inquiry.

The Honourable Sir Basil Blackett: The Honourable Member is quite right, but at the same time he did suggest that the whole or a considerable portion of the amount that is at present included in the provision for reduction or avoidance of debt should be devoted either to provincial contributions or to some other purpose. If that is not a raid on the sinking fund I do not know what is. I do warn the House most seriously that there are very few things that would do more damage to our financial position at the present moment than to reduce the amount—not a very large amount—which is at present included in the provision for reduction or avoidance of debt. For 30 years at any rate we shall still have unproductive debt. That is to say, for a period of 30 years at least it will have no effect in reducing our productive debt. The question of the use of this money for reducing the total of our productive debt, for reducing the amount of outstanding debt covered by investments in productive purposes, does not arise so long as there is any unproductive debt. For a period of 30 years, then, that question does not arise. In the meantime we hope to undertake this quite ambitious programme of development within India, the result of which, if things go well, will be that the actual charge

[Sir Basil Blackett.]

for interest paid by the tax-payer will be reduced within a reasonable period to what it was before the war, namely, something scarcely distinct from a minus charge. I believe in some years it was actually a minus charge. A Committee of this kind could not, I think, be of much help. The problem of the financial position from day to day, from week to week, and from month to month, is a problem that must be undertaken by the Finance Department. It is part of their general duties, a problem in which a Committee of this House with the best will in the world could not take part. Merely physically it could not be present all the time.

Mr. A. Rangaswami Iyengar: We want to frame a scheme.

The Honourable Sir Basil Blackett: I do not know what scheme is going to be framed. You have got to deal with maturing debt. I hope before long we shall be able to make an offer of conversion of some of these loans. That is not a thing on which this House can lay down anything. That depends on the condition of the market from day to day. The House has complete control within the framework of the Government of India Act in that all new borrowings for new capital expenditure by this Government comes in the Demands for Grants and is subject to the vote of this House. In the case of Provincial Governments, the capital expenditure is subject not only to the vote of this House when the money is voted by this House to be lent to the Provincial Government, but it is also subject to the vote of the Provincial Council when the Provincial Government asks for authority to spend money on capital development. We have had a discussion which has given me an opportunity which I have been very pleased to have of taking the House and the country into the confidence of the Government in regard to this ways and means problem that is before us. I do not think that a committee can serve any useful purpose in this matter and it is quite obvious that it could not sit before the 5th of March. I would suggest to the Honourable Mover of this motion that having secured a full statement of the position,—the fullest that I can give within the time at my disposal, and I think a pretty full one—he might be content to allow this debate to be adjourned or to withdraw his motion. If not, I do ask the House not to support it because in supporting it, in view of what has been said, they would be supporting a raid on the sinking fund.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadian Rural): May I ask the Honourable Member whether any portion of the sinking fund is to be devoted to payment of railway annuities and in that way whether it is not really payment of productive debt? Is it or is it not so?

The Honourable Sir Basil Blackett: A certain sum has to be paid every year to the annuitants in question. Part of that sum is interest and part of it is capital. You can treat it either as a capital charge in which case—if you treat it as capital—you would have to reborrow that amount each year and it will become a ways and means problem. You would not alter the total of your sinking fund provision for reduction of debt by that means, but instead of using your sinking fund to repay the railway annuitants, you would use it to repay—shall we say?—the treasury bills that you raise to pay the railway annuitants. It is a distinction without a difference. None of this fund will be applied to reduction of productive debt so long as any unproductive debt is in existence. That is the simple answer.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadian Rural): Sir, I hope my Honourable friend Mr Jamnadas Mehta will excuse me if I venture to say that his speech was a bundle of contradictions. The second portion of his speech was a direct contradiction of the first part that he delivered. After hearing the first part of his speech one would have imagined that the debt position of the Government of India was in such an unsatisfactory condition that there was very great danger of the credit of the country going down in the financial world and that steps ought to be taken to prevent this serious loss of credit. In the second portion of his speech, Sir, he found fault with the Honourable the Finance Member for having provided Rs. 4 crores annually towards the reduction of debt. If the debt position of this country as presented by my Honourable friend is to be taken as correct, then it must be conceded that not Rs. 4 crores per annum but perhaps 10 or 12 crores per annum will have to be set apart as a sinking fund to recover the credit of the Government of India and the country.

The Honourable the Finance Member said that this debate and this Resolution are examples of the attempts at raiding the sinking fund which a popular legislature is very often apt to make. But with all respect to him I must say that this House in initiating this discussion and questioning the wisdom of his proposal to lay by a sinking fund of 4 crores of rupees per annum is not trying to commit a raid upon the sinking fund, but is only trying to prevent the raid which the Honourable Finance Member wants to make on the annual revenues of the country.

It is well known that the debt of a country is incurred generally for three purposes; firstly, for productive purposes, secondly to meet temporary deficits in the budget, and thirdly to finance extraordinary schemes like a big war; and the debt of the Government of India has come into existence on account of all these three causes. In estimating the burden of public debt upon the tax-payer of a country various methods are adopted. One of the usual methods is to find out the *per capita* debt in the country. Another is to find out what is the percentage of the debt to the wealth of the country, and the third method is to find out what is the percentage of expenditure on the debt services to the total ordinary expenditure of the country. Sir, I want to make a few comparisons of the public debt of India with that of certain other important industrial countries with reference to these three aspects and to show to this House that our debt position is in a very satisfactory condition indeed. If you compare the volume of the debt on the basis of the *per capita* method, it is seen that in the year 1923 in Great Britain it was £174-2-0 per head, in Australia £165-15-0, in New Zealand £162-16-0, in France £356-0-0, in Canada £55-10-0, and in India £2-7-0 per head. If you compare the debt with the wealth of the country, you find that in Great Britain it is 39 per cent. of the wealth, in France 24 per cent, in Italy 18 per cent. and in India 6 per cent. If you institute a comparison on the basis of the percentage of expenditure on the debt services to the total ordinary expenditure of the country, you find in France it is 53·8, in the United States of America 44·2, in New Zealand 33·8, in Australia 23·8 and in India 15 per cent. So, whatever basis of comparison may be taken, it is very clear that the debt position of the Government of India is in a very satisfactory condition. But, Sir, in addition to these significant figures that I have given, if you remember that a great portion of our

[Mr. R. K. Shanmukham Chetty.]

debt is what is called productive debt, then our position becomes really very enviable when compared with the other countries of the world.

The whole question now is, not whether we ought to have a sinking fund or not or whether this House wants to commit a raid on the sinking fund, but whether the scheme as propounded by the Honourable the Finance Member during his budget speech last year and which is embodied in a recent resolution of the Government of India is a proper scheme for the provision of a sinking fund. When during the course of his budget speech last year the Honourable the Finance Member gave out his own theories of debt redemption we thought that he had thrown out some suggestions for the consideration of the country, and that before any definite scheme was put into operation this House would at any rate be consulted on the matter. But to our great surprise we find now that when he was indulging in this theorising he had practically made up his mind about the provision that was to be made for the redemption of debt in India. He goes on the assumption that both the productive debt and the unproductive debt of a country must be amortised by the provision of a sinking fund. Now, Sir, I question the wisdom of that policy. I interrupted the Honourable the Finance Member in the course of his speech and asked him, taking into consideration the very satisfactory condition of the productive debt of our country, what was the necessity for providing a sinking fund towards that. He told me that I would get an answer to that in five minutes, but I am sorry that I waited till the end of his speech and got no answer to that question of mine. It is certainly worth while to consider before launching upon any scheme for the provision of a sinking fund whether the productive debt of India is in a condition which warrants the laying by of any considerable sinking fund. That I submit is a serious question which has to be very carefully considered before any final conclusions are arrived at. So far as I am concerned, I am convinced that the productive debt of our country does not require the provision of a sinking fund, so that there remains only the unproductive portion of our debt and we ought certainly to make a provision for a sinking fund for that. Taking the figures as given in the budget of the current year I find that the unproductive debt of the country comes to about 228·45 crores which is represented by about 98 crores due to the successive deficits of the previous budgets, about 10 crores due to Imperial Delhi, and about 120·60 crores which represents our true war debt. The whole question is what amount of sinking fund we must provide for the amortisation of this unproductive portion of our debt which is 228·45 crores. Does it require the provision of 4 crores of rupees per annum as has now been provided for by the Honourable the Finance Member in the recent Government of India resolution?

It so happens that as a matter of fact a provision of very nearly 4 crores of rupees is now being made in the budget every year which, as the Finance Member said last year, is purely the result of accident. We have to provide for the repayment of the capital portion of railway annuities. We have to make provision in accordance with the contract that we have entered into with the subscribers of the 5 per cent. loans. These things come to nearly 4 crores of rupees a year and the Finance Member is in a very fortunate position to see that this accident very nicely fits into his pet theory also. But there is no reason why these obligations should be met from current revenues. The real question is, considering the finances

of the country as they are at present, considering the fact that we have a great many claimants on our surpluses, whether it would be a wise policy to lay by 4 crores of rupees per annum towards the amortisation of this portion of our debt. The net result of the provision of 4 crores of rupees per annum will be, as the Honourable the Finance Member has just now said, to wipe off our unproductive debt within the course of the next thirty years. Well, Sir, I ask him does he mean to suggest in all seriousness that this unproductive debt of our country must be wiped off during a period of 30 years? He ventured to prescribe some very arbitrary periods for the amortisation of the different classes of debt. He prescribed 15 years for redeeming the debt incurred for the building of New Delhi, 25 years for redeeming the debt incurred on account of deficits, and so on. My Honourable friend Mr. Jamnadas Mehta pointed out the absurdity of trying to redeem the debt incurred for a new capital like Delhi within 15 years. Surely my friend or the Government do not propose to change the capital once in 15 or once in 30 years; but by the way if we are to judge by the soundness of construction of some of the quarters that we are occupying, we might be led to think it might be even necessary to change once in ten years. Anyhow it cannot be seriously suggested that the unproductive debt of our country must be wiped off during the course of 30 years. Again he said that the Government of India have to find very nearly 300 crores of rupees by further borrowings or by reborrowings during the course of the next five years, and that a sinking fund will raise the credit of the Government of India in the money market. I again venture to ask does the Honourable Member seriously mean to suggest that the credit of the Government of India in the financial world is seriously affected at present?

The Honourable Sir Basil Blackett: Yes.

Mr. R. K. Shanmukham Chetty: I say, Sir, No. I am perfectly confident that when we compare the debt position of almost all the countries of industrial importance in the world, as I started by saying, our debt position is one on which we certainly can congratulate ourselves. The Government of India are supposed to have done very many iniquitous actions; but at least in the matter of the debt management I for one would certainly congratulate the Government of India on the position in which we stand to-day; and if the Honourable the Finance Member is not prepared to take this compliment, I am only very sorry for it. My Honourable friend began to quote the speech of the British Chancellor of the Exchequer in support of his contention that ample provision must be made for a sinking fund every year. Sir, it is one of those comparisons which, if it had come from my Honourable friend Mr. Jamnadas Mehta, the Finance Member would have characterised as obviously misleading.

The Honourable Sir Basil Blackett: Why?

Mr. R. K. Shanmukham Chetty: I ask him is it not obviously misleading to compare the sinking fund provision of Great Britain with the sinking fund provision of the Government of India?

The Honourable Sir Basil Blackett: Why?

Mr. R. K. Shanmukham Chetty: For the very good reason that 95 per cent. of the debt of England is unproductive, whereas about 80 per cent. of our debt is productive.

The Honourable Sir Basil Blackett: They have got a sinking fund of 50 millions in consequence.

Mr. R. K. Shanmukham Chetty: Certainly, we shall also have a reasonable sinking fund. This House, Sir, does not want to make a raid upon the sinking fund. In fact we are very anxious, as my Honourable friend Mr. Rangaswami Iyengar said, to provide an ample and adequate sinking fund but we must emphatically protest against the attempted raid upon the revenues of the country which the Honourable the Finance Member is attempting when, as I said, there are a great many claimants on our surpluses. There is the cotton excise, there is the provincial contribution and there is the tax-payer wanting some relief; and, unless and until you have satisfied these claimants amply, you cannot come forward with your pet theories and make a raid upon the revenues of the country.

The Assembly then adjourned for Lunch till Twenty Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes Past Two of the Clock, Mr. President in the Chair.

Mr. H. G. Cocke (Bombay European): Sir, this debate has been extraordinarily interesting and I think very valuable in several directions. It has certainly been valuable in the figures it has produced from the Honourable the Finance Member. It was also valuable in an important admission from the Honourable Member from Madras to the effect that he and his party will be prepared to consider the budget on its merits this year. That is a most important statement and one for which I was rather surprised the Honourable the Finance Member did not express his appreciation. Perhaps there is one other matter in which the discussion has been valuable, certainly to the Honourable the Finance Member, for he was likened to a Gladstone of finance! Sir, this question is a somewhat difficult one, one perhaps which it would be easier to discuss round a table than across the floor of this House. There are little points which arise which require to be explained. Take the question of New Delhi as a simple proposition. A loan is raised to build New Delhi, and I believe the scheme is that the monies raised should be repaid over a period of 15 years. Incidentally borrowing for New Delhi is described as unproductive debt. Well now the question arises, not only with reference to New Delhi, but with reference to such expenditure generally, whether in this particular case 15 years is a proper period of repayment and whether it is reasonable to burden a so-called sinking fund with annual contributions on a short term basis such as this. Well, one point that we must never forget is, that although we may feel we are being asked to pay too much in connection with New Delhi in repaying from Revenue as much as one-fifteenth of the expenditure annually, at the same time we are benefiting to-day very materially from the expenditure in other directions which past generations have borne for us; and therefore in the long run probably we are very much better off than we should be if there had been an attempt to repay borrowings for the expenditure of the past century over its productive life. That is not the scheme of Government finance. The scheme of Government finance is to wipe loans off and to repay them as soon as possible, parti-

ularly if they are unproductive. That brings me to another question, as to what is really the difference between productive and unproductive expenditure. The line may in certain cases be a very fine one. Take the question of a road and a bridge. It may be said that that is, and it is so ranked I know, unproductive expenditure. But it may be that that road and that bridge bring indirectly a considerable revenue from the land and possibly in other ways. Therefore when we talk of unproductive expenditure we should always remember that it is only unproductive in a sense; it may be productive in another sense. In fact it may be that certain unproductive expenditure so-called is more productive than some so-called productive expenditure. Sir, the question of apportioning the burden between the past and the present generations is a very important one and is one which I am quite sure has been considered by Government in connection with this question. I am very anxious to know what the proposals of Government will be as a result of the debate which took place in another place, for I presume the new proposals for debt redemption will form part of the budget speech; I hope we are going to have this question of debt redemption put on rather a more scientific and definite basis than it has been put in the past. That is obviously a step in the right direction. Now the question of the large re-borrowing which has got to be effected in the next 10 years, to which the Honourable the Finance Member referred, is a very important one, and Mr. Chetty, who preceded me, seemed to think that it would be quite possible to do away with the annual sinking fund provision without affecting our credit. (Mr. R. K. Shanmukham Chetty: "Not completely.") Not completely? Well, to some extent, but I for one am absolutely in agreement with the Honourable the Finance Member in maintaining that it is essential that we should keep up to the standard to which we have attained in the past, in connection with the sinking fund provision, that it should not be reduced, and that it should be put on a more scientific and definite basis, and I am quite sure that we shall reap very great benefit from that in the future. It might make a difference of as much as half one per cent. in the re-borrowing we shall have to effect in the next 10 years if we stick to a scientific definite and adequate system of sinking fund. You cannot weigh this as representing so many rupees or so much per cent., but it is a very definite and a very real advantage to a country like India to have a proper system of debt reduction, and I say that it is worth many lakhs and crores of rupees to us in the interest to be paid on loans which we shall have to borrow in the future. (Mr. A. Rangaswami Iyengar: "That is what is wanted in the Resolution.") That is quite correct. The Resolution asks for a committee. So far as that is concerned the position I take up is that I personally desire to hear the budget speech in this connection and to know exactly what the provision in the future is going to be. The subject has been raised by a debate in another place and Government have set out to frame a definite scheme, the exact details of which I do not think we have received, and until that is before us I venture to think this question might very well stand over. I do hope that so far as the redemption of debt is concerned which is the most important point raised in this debate—there have been other important points but this I regard as the crucial one—I do hope this debate will have strengthened our determination to stick to a definite system of debt redemption and that nothing will be allowed to interfere with that, either for the sake of the provincial contributions or even for the sake of the Bombay cotton excise duty removal.

Mr. Devaki Prasad Sinha (Chota Nagpur Division: Non-Muhammaddan): Sir, we were told this morning by the Honourable Member from Madras who spoke just before the recess that the debt position of this country is not such as to arouse a feeling of nervousness. He compared the debt position of different countries and followed the three principles of comparison laid down in Chapter XXXIV of Mr. Findlay Shirras's new book on Public Finance. He at the end seemed to suggest that the scheme for the redemption or avoidance of debt as promulgated by the Honourable the Finance Member was much too early. Sir, there is very great danger in following any copy-book maxims for comparing the debt position of different countries. There is also a greater danger in comparing the total amount of debt at its nominal value in the markets of the world; because after all when we are considering the debt position of different countries we have also to consider the rates of interest at which loans can be raised by the different countries and also the terms upon which such loans can be obtained. Secondly, we have to consider what proportion of the debt that is required for the country is productive and what proportion is unproductive; and lastly, we have to consider what part of the debt is what is known as external and what part of it is internal. It is no use drawing merely a theoretical comparison between the debt positions of different countries and in the end suggesting that since our country is not on the verge of bankruptcy, that since the financial position of our country is very nearly solvent, there is no necessity for inquiring into the matter or of adumbrating a scheme for debt redemption or avoidance of debt. Sir, the time when it is necessary for a nation to undertake such a scheme is not when it comes to the brink of solvency. That danger has been seen by many countries in Europe to-day. The question of debt redemption or avoidance of debt has to be considered in another light, namely, the burden which the incidence of taxation involved in the repayment of debt is going to fall on the country as a whole. Therefore, Sir, we must dismiss for the moment the idea that since the comparative position of India according to the theories discussed in text-books of public finance is not very unsound, it is premature for us to think of any scheme for debt redemption or for avoidance of debt. There are one or two points to be considered in this connection. Out of a total of 917.58 crores which, we were told by the Finance Member last year in his budget speech, is the total debt of India the amount of internal debt is 360.92 crores while the external debt is 556.66 crores. Sir, if we compare the proportion which the internal debt of this country bears to the entire debt which is a burden upon the country, if we compare the position of India in this respect with that of other countries, we will find that in the whole of the British Empire the proportion of external debt is higher only in the case of New Zealand, and South Africa, and that too for obvious reasons. In other cases, in the case of foreign countries, the United States, France, Italy, Japan and so on, the proportion of external debt is very much lower than what we have in India. Apart from the inconveniences of remittances in connection with a sterling debt and also of the remittance of interest, this large proportion of external debt held by us is, in the words of Sir Basil Blackett himself, "a drain of India's production of goods and services in the future up to the value of the principal together with the future further drain of these goods and services for interest during the interval until the principal is paid for". Sir, we know that the ideal of any system of public borrowing is one in which the difference between the interest-payers and the interest-receivers is reduced to a minimum. We have to consider whether

that is the case here or not. So long as we have this burden of heavy external debt hanging over our heads, we must consider the position of India's indebtedness very seriously. Internal loans, even if they are much larger than what we have at present, do not necessarily mean a reduction in the national welfare of the country. On the other hand, sometimes by a fair distribution of the national wealth it can mean an increase in the national welfare; but wherever we have large external loans, it necessarily connotes a reduction in the total national wealth of a country.

The second reason, Sir, why we must inquire into our indebtedness is that according to the figures as presented by Sir Basil Blackett last year the total amount of our productive debt is 578.39 crores while the total amount of unproductive debt is 228.45 crores. This, Sir, is also a point worth examining. It was in the year 1874 that for the first time a distinction between productive and unproductive debt was introduced into the finances of India. Before that year 1874 out of a total of 117 crores of India's debt only 17 crores were due to what were then known as public works. A change was introduced at the recommendation of a Select Committee of the House of Commons and that recommendation laid down the following proviso:

“That the debt incurred for productive public works should be kept separate from the permanent or general debt of India, and secondly that all expenditure on the construction of productive public works should be treated as borrowed money, so that instead of borrowing to the full extent of such expenditure, a part of the surplus revenue of the year can be devoted to this purpose, the general debt of India being treated as reduced and the productive public works as increased to such an extent.”

The inevitable result of this method laid down in the Report of the Select Committee was that the surplus revenues of the Government of India were utilised for the purposes of the Public Works Department, with the consequence, as suggested by the Select Committee, that a corresponding reduction was made from the item called “the ordinary debt of the Government of India.” Simultaneously with that, the productive debt of India went on increasing from year to year for other reasons. The result was that the so-called productive debt of India remained unproductive for a long time, and the total amount which was actually reduced from the ordinary debt of India was a mere fictitious reduction. The relief which was due to the tax-payer on account of the surpluses that accrued to the revenues of the Government of India were most unreal, and that relief which ought to have been given to the tax-payer was instead transferred for the purposes of the Public Works Department. If we examine, Sir, the comparative figures of the productive and unproductive debt of India in the year 1875 and in the year 1898, we find that the total productive debt in the former year was 20.4 crores, while the total ordinary debt was 102 crores. In the year 1898 the total productive debt of India went as high as 169.3 crores, while the total ordinary debt came down to the figure of 63 crores only. The explanation of that is to be found in the principle laid down by the Select Committee in the year 1878. The reduction shown in the ordinary debt of the country was a mere nominal reduction. Therefore, we have to examine also the question how far that portion of the debt of India which is described as productive debt is really productive and what portion of it belongs to the category of debts that can only be called unproductive debt according to all the well-known canons of public finance.

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Then, Sir, there is a third reason why we must inquire into this question. Most of the capital that is borrowed in the shape of sterling loans and capital borrowed in foreign countries is invested in railways and irrigation. That means that our assets in these public utility services which are our great national assets and in the nationalization of which we take such a great pride are assets mortgaged to lenders in a foreign country. I cannot again refrain from quoting Sir Basil Blackett himself when he spoke on the 12th July 1924. This is what he said :

“ There is of course always the possibility of resorting to an external loan in London or elsewhere, but if this can be avoided as we have avoided it this year, India clearly gains by being the full owner of the Railways or irrigation works or other works of public utility on which the money has been spent instead of having to some extent as it were to mortgage these undertakings to lenders in London.”

Sir, even if we accept the figures as given in the Honourable Sir Basil Blackett's speech last year, we find that we have 228·45 crores of debt that has been described as unproductive. The debts as accounted for by the Honourable the Finance Member himself may be ascribed to the following sources : 98 crores represent the accumulated deficit for five years up to March 1923; 9·85 crores due to the establishment of New Delhi; and 120·16 crores due to the war debts. Sir, these three categories of debts are in every sense a dead weight on the revenues of India, and it is extremely necessary that we should take early steps to get rid of them. We have heard this morning suggestions that the debt due to the establishment of New Delhi should be spread over several generations. We have also heard my Honourable friend, Mr. Cocke's suggestion that this debt is unproductive only in a certain sense and that in another sense it may be said to be productive. Well, Sir, without going into these questions in detail I cannot help feeling that it would be most inequitable if not most injudicious to allow this debt to be spread over any period longer than what would be absolutely necessary. I may quote here the opinion of that great authority on public finance who has been quoted this morning in this debate, namely, Bastable. He says :

“ Uneconomic expenditure is primarily to be met out of income and, unless it can be so dealt with, ought not to be incurred.”

I may also quote the Honourable Sir Basil Blackett himself when he said what ought to be the procedure with regard to the repayment of debt due to the establishment of New Delhi. This is what he said in a speech in 1923 :

“ We have spent many crores on unproductive purposes, the expenditure on which is classed as capital expenditure. New Delhi is the most obvious example. I can see no justification other than sheer necessity for not treating this expenditure as chargeable against revenue and in any case it ought to be repaid out of revenue at an early date.”

Sir, I place this opinion by the side of the opinion of Mr. Cocke when he said that the debt incurred on account of New Delhi is unproductive only in a sense. For all these reasons it is necessary for us to examine the debt position of this country and that, I suppose, is the only thing that my Honourable friend, Mr. Jamnadas Mehta's Resolution asks for.

But while I do support his proposal for examining the debt position of this country, I am sorry, Sir, I cannot agree with him or with any of the Honourable Members who spoke this morning in condemning the

principles underlying the present policy of establishing a fund for the redemption or avoidance of debt. I believe, Sir, that it is not only the most economic but the most benevolent scheme that has been taken up by the Finance Department of the Government of India during the past few years; and I cannot withhold my meed of praise from the author of this scheme. It has been suggested to us that the only difference which exists between the non-official Members and the official Members on this question is as to the period for which this scheme should be in operation. It has been also suggested that fifteen years is too short a period for the redemption of debts due to the establishment of New Delhi. On the other hand, Sir, I feel that fifteen years should be absolutely the maximum period within which this debt should be repaid. This deadweight certainly should be got rid of as soon as possible and any attempt to prolong this agony would be laying an unjust burden upon the future tax-payers of India. My Honourable friend, Mr. Chetty, said that this scheme differs from the British scheme of establishing a sinking fund for the payment of the unproductive debt of Great Britain. Well, Sir, the British scheme of establishing a sinking fund for the payment of the unproductive debt of England contemplates its repayment in 20 years. Now, may I ask him or any other Honourable Member who supports him, how that differs from the present scheme? Personally speaking, I would have preferred even a shorter period over which the payment of this debt should be spread. This project for the redemption or avoidance of debt is not contrary to the principles of public finance as understood in civilised countries to-day. We know, Sir, that at one time in the history of England grave objections were known to have existed against any proposal for a sinking fund; but the latest authority on this subject, one whose authority has been accepted by most recognised financiers of England, is Professor Hamilton of Aberdeen. In his famous twelve principles which he enunciated for the purpose of redeeming or paying off the unproductive debt of England, he says that "excess of revenue above expenditure is only real sinking fund by which public debt can be discharged." That is the twelfth maxim of Professor Hamilton's twelve maxims. This opinion is also supported by Professor Cannan in his evidence before a Committee that was appointed by the last Chancellor of the British Exchequer for inquiring into the debt position of England. Therefore, Sir, for all these reasons I feel that the scheme which Sir Basil Blackett has placed before this Assembly should not be examined from the point of view merely of sentiment. I strongly believe that that scheme is one of the best schemes that could have been placed before the Assembly. But while I do support that scheme I strongly differ from Sir Basil Blackett in the process by which that fund is sought to be built up. I agree, Sir, that the unproductive debt of any country should be paid off—the sooner the better; but the way in which Sir Basil Blackett seeks to build up that fund is open to very grave objections. I know of one and only one way of building up a fund for the redemption or avoidance of debt and that is by imposing a Debt Redemption Levy. Sir, I know that my proposal for the imposition of a debt redemption levy smacks of all the odium of Capital Levy; but, Sir, so far as I am concerned I am quite clear in my mind that that would be the most equitable and the fairest thing to do in this connection. I do not at this moment, Sir, propose to lay down any definite scheme of capital levy or of debt redemption levy, but I want to point out that the method that has been adopted by the Honourable the Finance Member for building up this debt redemption fund is open to more than one objection. In the first place, it leaves us always in danger of ordinarily budgeting for a surplus revenue, there

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is always a very great temptation of providing for a surplus in order to build up this fund for the avoidance or redemption of debt. Secondly, Sir, it will keep up the level of taxation higher than it ought to be considering the needs of the State, and thirdly, it would not bring that relief to the tax-payer or to the most oppressed section of the tax-payer which it deserves in a situation that will give to the Government of India a surplus in their revenue. Therefore, Sir, I feel that the natural corollary of any proposal for building up a fund for the redemption or avoidance of debt is the imposition of a debt redemption levy on that portion of the population of this country that is most capable of bearing it, and there can be no doubt that that portion of the population can only comprise the broad shoulders of the pampered class of capitalists in India. I therefore hope, Sir, that the Honourable the Finance Member will not stop at only one stage of his scheme, but that he would also take into consideration the very natural consequence of establishing a fund for the redemption or avoidance of debt. I also hope, Sir, that he would not be scared away by the hackneyed objections against the imposition of any such levy, namely, that it would reduce the national wealth of the country by taxing the sources of production. Sir, more important than any addition to the national wealth of India is the problem of a proper distribution of our national wealth. We have the authority of a man like Professor Pignon who thinks that the economic welfare of a country depends as much upon a proper distribution of the national wealth as upon an increase in the national wealth of the country. And, Sir, if that is so, the national wealth of our country depends more on its proper distribution than anywhere else. I therefore support this Resolution.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, while there must be very few in this House who can quarrel with the principle which the Honourable the Finance Member had in his mind when he laid down his scheme for reduction of debt, I feel that there must be many in this House who certainly would quarrel with him about the method he has adopted in putting his scheme before the country. To begin with, we are told that in the budget speech of last year, the Honourable the Finance Member indicated that something in this direction was coming. I have got a copy of that speech, Sir, and I have read and re-read paragraphs 35 to 38 of his speech, but I find nothing in it which could give one the impression that the Honourable the Finance Member really meant to tell us that he was thinking of launching something in that direction and would take us by surprise and put before us a clear-cut official press note saying that the Government of India and the Secretary of State had made up their minds that "there shall be charged against the revenues of India in each year Rs. 4 crores," and so on. I would like, Sir, to read only a few lines from his budget speech, and I think that will give the direction in which his thoughts might have been running last year:

"It is not possible in a budget speech to treat the whole subject exhaustively, and I do not pretend that the periods suggested above are the only possible periods or reasonable periods to take."

But what we now find is that exactly what is mentioned in the budget speech is confirmed in the Press Note which is now under discussion before the House.

Diwan Bahadur T. Rangachariar: I do not know, Sir, if the Press Note is for discussion before this House.

Sir Purshotamdas Thakurdas: The Press Note is under reference to this extent that it says that 4 crores a year shall be set aside for reduction or avoidance of debt

The Honourable Sir Basil Blackett: That is the Government of India Resolution.

Sir Purshotamdas Thakurdas: Oh, that is a Resolution. I mistook it for a press communiqué. Well, Sir, what I feel is that if the Honourable Member had in his mind that he gave a sufficient indication at Budget time last year that the Government of India were seriously going to decide something between themselves and the Secretary of State and then put it forward as a *fait accompli* and something which could not be got over by this Assembly, then this Assembly has a very sore grievance against him irrespective of the fact that the principle underlying the scheme may be very desirable and cannot be challenged. I also feel, Sir, that the time selected by the Honourable the Finance Member or rather by the Secretary of State and the Government of India for launching this scheme requires very serious consideration. When the Honourable the Finance Member gave a solemn warning to this House not to "raid" the sinking fund, as he called it, may I ask him, Sir, not to raid the limited privileges of this House in matters which affect the very few rights and privileges which it enjoys. If, Sir, this House is to be asked to be a party to taxation it ought to decide what amounts it is bound to set aside before remission of taxation can be made. If, Sir, the Government of India seriously expect us to shoulder the responsibilities of imposing more taxes, we ought also, Sir, in years of prosperity and in years when there may be a surplus, to be able to decide for ourselves,—at any rate the Government are bound to consult us before they earmark certain amounts. And in the present instance 4 crores is not a small amount that the Government of India can set aside with the consent of the Secretary of State alone in a manner that this House cannot have a voice in the matter. I do not know, however, whether this is so or not, but I would like the Honourable the Finance Member to oblige me and to tell me whether this sum of 4 crores of rupees is a votable or non-votable item. I would like the Honourable Member to oblige me by that information if he can

The Honourable Sir Basil Blackett: I have not got the exact position in my mind at the moment. In so far as it represents sinking funds that have to be paid on specific loans, it is certainly non-votable.

Sir Purshotamdas Thakurdas: Could the Honourable the Finance Member tell me the proportion between the two roughly?

The Honourable Sir Basil Blackett: I have not got it in my head, but I know that in any case the greater portion of it is non-votable.

Sir Purshotamdas Thakurdas: Then, Sir, all that I can say is that, if co-operation is required from Members of this House to the fullest extent in this matter, their co-operation ought also to be sought in matters of such importance in which the Honourable the Finance Member is so sure of his case being so good that the House would accept whatever he says as being absolutely unchallengeable. I wish the Government of India had thought it fit to get the consent of this House either by means of the report of a Committee of this House or by any other method that might have appealed to them as being best in the interest of themselves and of

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this House. I am not at all surprised, Sir, at the great insistence both inside this House, at any rate on this side of the House, and in the press that the earmarking of any amount that the Government of India may wish to be done should be done with the consent of the non-official Members of this House. That, Sir, to my mind, is the underlying principle of this whole question. If there is going to be any reduction or avoidance of debt, this House will be wholeheartedly with the Honourable the Finance Member after being convinced of a scheme in that behalf. But, Sir, as a humble Member of this House, I refuse to hand over my powers in connection with this to anybody even with the consent of the Secretary of State unless and until I am convinced beforehand and I am assured that whatever is suggested to be done is not only necessary but is in the best interests of India at this time and for, say, the next two, three or four years.

Now, such discussion and conviction are not things—as my Honourable
3 P.M. friend from Bombay, Mr. Cooke, very rightly said when he began—which the Honourable the Finance Member can easily ensure and achieve in this Assembly. These are things which can be done in a most satisfactory manner across the table only in a Committee. Whatever figures the Honourable the Finance Member may be able to give us, does he expect anybody here to grasp those figures and to be able to follow those crores upon crores—sometimes it is given to us in millions also, Sir,—does he expect anybody to follow them and make up his mind? Does not the Honourable the Finance Member think that, if his case is so good, so strong, a committee can only confirm the decision he has come to? I do not think, Sir, that this House is making any extravagant demand, that before the Budget is presented to this House and before this House is asked to agree to the earmarking of certain large amounts, they should be satisfied that those amounts are necessary; secondly, that if this was done a few years later it would do substantial harm to the tax-payers' interests, and thirdly, that the amount named is the minimum that is desirable. Sir, what is the time, what is the period that has been selected for this? We have had a succession of bad years, years of great deficits. Then came one or two years when, with a few sums taken from one fund or the other, funds which are not normally looked upon as revenue earning funds, a few sums taken by book entries, the Honourable the Finance Member was in the first year (1923) able to balance the Budget by getting His Excellency the Governor General to certify the salt tax against the Assembly's vote. Last year he got a windfall, (*The Honourable Sir Basil Blackett*: "The same year") and was able to just balance the budget, with the salt tax just brought back to where it should have been the year before. This year, as Dame Rumour has it, and if one can make some satisfactory inference from figures that are published, there is a likelihood that there will be a little surplus, and as he himself has said several times there are many claimants for this surplus. Just at this period in come the Government with Secretary of State and say we are earmarking four crores for reduction of debt. I ask, Sir, whether it is fair to this House—I ask and I really use the word "fair" in its very literal sense—is it fair to this House to take away such a big slice and say: we have done it in the best interests of you all, you ought to accept it? What is the good of giving a warning to this House in such a

manner in a question where the House's best discretion and judgment ought to be allowed to be used? I therefore feel certain that the Finance Member will do very well indeed, if he could ask a few Members of this House in the shape of this Committee indicated by my Honourable friend the Mover of the Resolution and talk the matter across the table with them and convince them that it is very necessary and that the scheme cannot be put off even by one year more.

Sir, we have been told that, if this scheme is accepted, it would add to the credit of India as a borrower. I have no doubt, Sir, that, if every person who trades can pay back all his debts, his credit always improves. The smaller the debt, the better the credit. The question is there is a point up to which alone a person who is trading can repay his debts. Therefore there is also a point up to which India can go as far as improving her credit is concerned. If for four years or almost five years you have gone on piling more and more taxation upon the country, if for five years you have starved the provinces of their provincial contributions and put off other very necessary remissions which are more than overdue, is it not due to India that you should start this scheme at a more convenient time and let the tax-payers' nerves get a bit soothed and let them be a little less highly strung than they are at present? I put it to the Honourable the Finance Member, and I put it in all seriousness to the Government of India, whether, when there are years of plenty, it would not be the correct policy to give back to the tax-payers even a fraction of what you have taken from them in past years. At this very juncture we are asked to earmark such a substantial sum as four crores and if this Government Resolution is to be construed literally, they appear committed to it for the next five years, whether they are years of plenty or not, whether they are years of drought or whether they are years of normal rainfall. I feel very sure, Sir, that these are matters in which the Honourable the Finance Member could have benefited himself a good deal if he had taken the House into his confidence before resolving upon this scheme.

Sir, credit and better credit are all very good, if one can afford them. If the tax-payer of India cannot afford better credit than what he enjoys to day, is the credit of the tax-payer of India so bad to-day that you must at once launch upon this scheme. I am now putting the case at its worst to the Honourable the Finance Member. Does he find it difficult to borrow money? And if he does, well then there is something wrong somewhere else and it has nothing to do with the starting of the sinking fund all at once.

We are told, Sir, and the Honourable the Finance Member told us, that the Government of India are for new capital expenditure for productive purposes both by the State and by private capitalists. I know that the Railway Department of the Government of India at least do not go in at present for anything except productive expenditure in capital outlay. In fact, some complain that they are taking it a bit too far, but anyway it is not unproductive, and that is all that is pertinent for the discussion to-day. Now, what about the private capitalist and his enterprise in new productive works? Does the Honourable the Finance Member not realise that the taxation and the pitch at which taxation is at present raised is against any new venture by private enterprise in India and to that extent the first necessity of India is, as far as productive expenditure of private individuals is concerned, the question of reduction

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of taxation, which in some directions is very high and is so high indeed that it gives a set-back to enterprise in these directions. (Mr. Devaki Prasad Sinha: "Certainly not.") I know the Honourable Member's views, he has put them before the Assembly. I think he might allow me to put mine now.

The Honourable the Finance Member compared the unproductive debt of Great Britain and the huge sum that Great Britain has to pay at present in the form of interest on that unproductive debt. Comparing that with the interest charged on the unproductive debt of India, the Honourable the Finance Member very rightly said that India was well off. But, Sir, the comparison was a little incomplete. If only the Honourable the Finance Member could have brought to his mind not only the low tax-paying capacity of India but also, Sir, the great recuperative power of the British tax-payer and the great lack of this recuperative power on the part of the Indian tax-payer, the picture would have been much more complete. It is quite true, Sir, that our national debt and our unproductive capital debt are comparatively bagatelle as compared with those of Great Britain. You have got to compare, Sir, the tax-paying capacity of the people in each and what is more the capacity of the people in each to recuperate both in England and here, the opportunities for it and indeed, Sir, the policy of the Government in each country for this purpose. There is the difference and hence we are very nervous and hence we want our new capital debt to be kept as low as possible.

The Honourable the Finance Member, Sir, finally said that he cannot agree to this Committee at this stage for the simple reason that he and his department are overworked and that he has not the time to consult or to sit with a committee until very nearly the period when the Budget is to be presented or for I don't know what period he said. That may be very true. It is usual that the Finance Department and the Honourable the Finance Member are always very busy with the Budget towards the end of February and that the Honourable the Finance Member has a very anxious time of it until the Budget has been piloted through the Assembly. But, Sir, I do not think that my Honourable friend from Bombay gave notice of this Resolution only 4 or 5 or 6 days back. The Resolution must have been given notice of to the Legal Department some weeks back.

Mr. Jamnadas M. Mehta: 2nd January.

Sir Purshotamdas Thakurdas: Is it the fault of the Assembly and indeed is it the fault of Members on this side of the House if the Honourable the Finance Member finds to-day the Resolution as first on the agenda and that it has the support of a substantial part of the House? Are we going, Sir, to accept this reason for no committee of this kind being taken into the confidence of the Honourable the Finance Member and no conviction on our part before we vote out this Rs. 4 crores as sinking fund for this year and indeed for the next five years? I feel, Sir, that we have come now to a point where in every important step that the Government of India may think fit to take, be it in the interests of India and the tax-payer of India, it is absolutely necessary that those who are expected to shoulder the responsibility of further taxation should be consulted before a single pie is either earmarked or set aside from the Budget by His Excellency the Viceroy or by the Secretary of State's order. The whole complaint in this matter is that however good the scheme may be, the House ought to

be satisfied on two scores. The first is that the amount of Rs. 4 crores is necessary or such amount as may be necessary, if a smaller amount is decided upon by the Committee. Secondly, it is necessary this year to set aside this or any sum, and that if a sum is not set aside, the best interests of India would suffer. On both scores, Sir, I am afraid I have to confess I myself am still unconvinced by the speech delivered by the Honourable the Finance Member in this debate that nothing could be done to put this off and to let the tax-payer of India have a little respite from the groaning burdens under which he has been suffering for the last few years. With these words, Sir, I still commend the Resolution to the Honourable the Finance Member's best consideration.

Mr. Jamnadas M. Menta: Sir, I think on the whole I ought to thank the House for the great interest which they have taken in this important question. I must complain of some whips from my friend Mr. Shanmukham Chetty, but his whips were more acceptable than the scorpions of my friend there, Mr. Devaki Prasad Sinha. As regards the Finance Member's reply, all that I can say is that it discloses and places beyond doubt that a case for an inquiry exists. We might not agree as to the tendency of our debt position, whether it is in the right direction or in the wrong. We might not agree whether the provision for redemption and reduction of debt is sufficient or unnecessarily high or unnecessarily low. But the debate has unmistakably disclosed the fact that a case for an inquiry does exist and that an inquiry ought to be undertaken. During the luncheon interval, Sir, my Honourable friend Mr. Burdon has provided me with a statement of the value of the assets possessed by the military authorities. We are apt to assume that our military loans or war loans are backed by no assets, but even here, I find from official statements that, exclusive of lands, roads and drains, on which crores must have been spent but which are not taken into account, the military assets to-day are Rs. 37.40 lakhs. So that, what we are likely to regard as a load of debt unrepresented by assets is also worth a great deal in amount; that further suggests that the reconsideration of the Finance Member's scheme is absolutely necessary.

One or two more points the Finance Member tried to make. One was about the credit of the country and the great risk and disaster of our trying to raid the sinking fund. I assure him that there is no intention of raiding any sinking fund. The only intention is to examine whether or not the provision which he has made is extravagant or necessary. That is all. If on examination we are satisfied that the amount is necessary, we will certainly agree. But he has acted in too great a hurry. He has not taken the House and the country into his confidence, and therefore he ought to thank me for having compelled him to-day to come to some understanding with the House on that point. We think this is a matter of very great public importance. The question of the credit of the country suffering has, I think, been sufficiently answered by my friend Sir Purshotamdas Thakurdas. Sir, the credit of the country suffers from other reasons than those referred to by the Finance Member. If you see less of anarchist stunts and less of bomb scares, the people outside India will not be frightened. But these scares and these stunts are raised by the Government themselves. They unduly frighten the foreign investor and they create unnecessary stir in the country. The credit is there. But Government by their own actions are prejudicing it. The credit of the Government and this country will increase if Government refrain from

[Mr. Jammadas M. Mehta.]

such scares and stunts. Lastly, Sir, the difference of opinion between my friend Mr. Shanmukham Chetty and myself is based on whether we regard railway debt as productive or not. He assumes—and I do not know why he does so—he assumes and he repeatedly congratulated the Government on that position—he assumes that the Railways are paying in the face of facts disclosed by the Acworth Committee that the Railways have not paid. If he wants to put his own opinion in the face of the considered judgment of the Acworth Committee, well, I cannot quarrel with him. But the Acworth Committee has clearly shown that the Railways have not paid and they have ended in a dead loss. In future, if they will pay, I will agree with my friend that our railway debt is really productive. But so long as the power to impose unlimited rates and fares is in the hands of the Government, the paying character of these railway lines is a question of taxation. If the Railways become paying by levying unduly heavy rates and fares, it is taxation all the same; you cannot call that productive. Therefore, whatever contradiction my friend Mr. Chetty found in my speech is due to the fact that he regards the Railways as paying. I say that if Railways pay when the rates and fares are excessive, they are an indirect method of taxation and cannot be called paying. If there is a contradiction, I am glad of it rather than like Mr. Chetty being cocksure of facts which are not authoritative. That is all my explanation about the paying character of the Railways. But as there is this difference of opinion it becomes all the more necessary that we should investigate whether our railway lines are paying or not. If they are paying, well and good. If they are not, then it may be necessary to consider whether we should go on with our borrowing programme of Railways to the risk of even starvation of enterprise of industries in this country, as Sir Purshotamdas Thakurdas said. As regards the British Exchequer, may I tell the Finance Member that while they are reducing their debts they are also reducing taxation. During the last year the Chancellor of the Exchequer has remitted taxation on tea, on sugar, on coffee, on cocoa, on raw chicory, on dried fruit, entertainment tax, profits tax and McKenna duties and a number of other items of other taxation has also been remitted.

The Honourable Sir Basil Blackett: By how much was British taxation increased during the war?

Mr. Jammadas M. Mehta: So also our taxation has been increased during the war I will give the figures:

“The Chancellor estimates that the cost of the reduction in Customs and Excise duties—tea, sugar, coffee, cocoa, dried fruits, table waters, entertainments tax, etc.—and the McKenna duties, will cost £29,800,000 in 1924-25 and £31,945,000 in a full year. On the Corporation Profits Tax, which will cease to apply to profits arising after June 30th next, the loss will be £22,000,000 in the present financial year, and £12,500,000 in a full year, while repeal of the Inhabited House Duty will cost the Exchequer £1,750,000 and £2,000,000, respectively. The motor vehicles licenses concession will involve no sacrifice in the present year, but in a full year the reduction will be £500,000. On telephone rates, which take effect on July 1, the loss will be £500,000 in 1924-25, and £1,000,000 in a full year. The full year's loss on sugar will be £17,880,000, on tea £5,400,000, on table waters £4,000,000 and on manufactured goods (McKenna duties) £2,750,000.”

If you total up all these remissions of taxation in England, you will surely agree that the time has arrived when this country also should have some share in the remission of taxation, instead of going on borrowing at

heavy rates and making provision for debt redemption. If even in England they think of a reduction of debt and remission of taxation at the same time much more is it the case in this country that we should give thought to the remission of taxation; and as there has been no indication of that on the part of the Government, I am justified in bringing forward this motion.

With these few words, I have great pleasure in commending this Resolution once more to the acceptance of the House.

Mr. M. A. Jinnah: *Before the Honourable the Finance Member gets up to reply, I want to have, before I am called upon to vote, a little information from him. So far as this Resolution is worded, it certainly contemplates a much wider inquiry, namely;

“to investigate into the public indebtedness of the country and to report before the next Budget as to the steps to be taken to bring the debt position of the country more in keeping with the capacity of the tax-payer.”

And it also desires Government to appoint a Committee. In view of the fact that the Budget will be presented to us very soon, the more immediate question is whether the Government are prepared to consult an informal committee of this House for the purpose of considering the more important and immediate question with regard to the 4 crores sinking fund. If the Government are prepared to accept such a course and to place such information as they can before the committee, I think it might help both sides of the House. (*Diwan Bahadur T. Rangachariar:* “What do you mean by an informal committee?”) By an informal committee, I mean that my Honourable friend, Sir Basil Blackett, should, in consultation with one or two on this side of the House, fix upon a certain number of Members of this Assembly who would discuss the question with him informally.

Mr. A. Rangaswami Iyengar: May I know what is to happen to the Resolution?

Mr. M. A. Jinnah: The Resolution will in that case stand over till September next, because the question will not come up again until March and therefore there will be plenty of time between September and March to decide as to what we should do with this question.

The Honourable Sir Basil Blackett: Sir, in view of the suggestion thrown out by Mr. Jinnah I hope I shall be able to curtail my closing speech. There are one or two points, however, which have been raised on which I should like to say a word or two.

The Resolution of the Government of India proposes that the yearly provision for reduction or avoidance of debt during the next five years should be a sum of 4 crores of rupees *plus* one-eighth of any net accretion. That figure of 4 crores was illustrated in my speech of last year as one which we should approximately arrive at if we took the debt and divided it into certain categories and assumed that it was desirable to repay it within the periods suggested by me. But the proposal of the Government of India is not that we should lay down those periods as the periods in which any particular portion of the debt should be repaid. The proposal of the Government of India is that, having regard to all the various considerations in the matter we should instead of in future having a provision for reduction or avoidance of debt which is arrived at purely on the

* Not corrected by the Honourable Member.

[Sir Basil Blackett.]

basis of certain obligatory payments that at present exist—obligatory payments of various kinds including for example the depreciation fund on the 5 per cent. War Loan here, certain discount sinking funds, etc.—instead of taking those obligatory payments and leaving the amount to be provided each year simply to the total that happens to be reached by adding up those obligatory requirements, we should have a figure that had some system in it. The figure is arrived at by a consideration not solely of our unproductive debt but by taking our debt as a whole and there is, I think, one very good reason for that. The Government of India is the sole borrower of the large sum that I mentioned—something like 1,000 crores. It is the sole borrower and its creditors do not hold one 1,000 rupee bond which represents productive debt and another 1,000 rupee bond which represents unproductive debt. They hold the promise of the Government of India to repay them in most cases at a fixed date, to repay them a certain number of rupees at a fixed date and meanwhile to pay them a fixed rate of interest. When that sum matures, the fact that it was borrowed for a productive purpose does not matter to the creditor. He has got to be repaid. Your creditor is entitled to his bond, to his contract, and from that point of view the distinction between productive and unproductive debt is not germane. What is germane is what provision is the Government of India making to keep the total of its liabilities within limits. That is one of the arguments for basing your calculations on the total of your debt and not merely on your unproductive debt. The other point that I made—Mr. Chetty said that I did not answer his point, but I did answer this second one before. I said that the size of the unproductive debt of this country at the present time was such that it would take a period of something like 30 years—something over 30 years is the right figure—on an assumed rate of interest to repay the unproductive debt, so that the amount we have chosen is not a sum which would repay the unproductive debt in an unreasonably short time, and my comparison with the United Kingdom was, as Mr. Devaki Prasad Sinha pointed out, to show that the United Kingdom had a sinking fund in operation to repay the whole of its debt which is all unproductive within about that period. Mr. Jamnadas Mehta has referred us to recent reductions of taxation in the United Kingdom. I wish we were in a position to follow them, but I would point out to Mr. Jamnadas Mehta that the United Kingdom increased her taxation enormously during the war. India did not. It is mainly since the war that India increased her taxation and the total increase of taxation that has taken place in India is much less in proportion to the total increase that has taken place in the United Kingdom in spite of the reductions that have recently been made. If we are making a comparison we have to remember that the reason why the United Kingdom is perhaps almost the first to be in a position to reduce her taxation is because she was the first to increase it and she increased it heavily during the war. However, that is not germane to the point that is under consideration. I pointed out to the House the objections that I felt to the appointment of a formal committee both on the score of time and on the score of what it was to do, I also pointed out to the House that it was most objectionable that it should pass a Resolution at this stage which could not in view of the course which the discussion has taken but be interpreted as a recommendation in favour of a reduction of the provision that is proposed to be made. But as regards an informal committee the position is quite otherwise. I am

always anxious to discuss with Members of this House the financial problems that arise. I have always done my best, I am sure the House will agree with this, to discuss all our financial problems as fully as I can whenever opportunity arises and I share Mr. Jamnadas Mehta's thankfulness that this opportunity has arisen, because I have been able to put before the House and the country some considerations in regard to our whole debt position which it might otherwise have been difficult to find an opportunity to do. If it is so desired I should be extremely glad to meet some Members of this House informally during the course of the next ten days. I am not quite sure whether it will be before the budget speech actually takes place but before the discussion takes place I should be very glad to meet a certain number of Members of this House, give them all the facts and figures that are at my disposal and show them the reasons which have led the Government of India to take the course they have taken. I shall be quite prepared to meet such an informal committee and fall in with the suggestion of Mr. Jinnah, if the House chooses not to press this motion at the present time. If the discussion is now adjourned till September the Government will not oppose a motion for adjournment.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadian Urban): I should like to point out that there is a Standing Finance Committee which is familiar with the finances of the country. The more proper course would be for the Finance Member to consult the Standing Finance Committee. (Voices: "No.") My Honourable friends say "No" and then complain that this is a title which the Government bestow. I heard my Honourable friend Mr. Neogy complain, when we were talking about panels and selections out of panels, that this was another method of bestowing titles. I for my part should not encourage these informal committees.

Mr. M. A. Jinnah: After hearing the statement of the Honourable the Finance Member that he is willing in consultation with some of us on this side to agree to certain Members who should informally meet him and discuss these questions, I formally move an adjournment of the debate until the September session. I hope the House will accept that. It may be the September or the Simla session whenever it may be. I would say the next session.

Mr. Jamnadas M. Mehta: After what we have discussed, I think I had better accept Mr. Jinnah's suggestion. I do not think it is at all satisfactory but it is the best in the circumstances. The consultation in the informal committee will also give us some greater insight into the case of the Finance Member.

Mr. M. A. Jinnah: I am sure that Mr. Jamnadas Mehta will be one of the Committee. We cannot do without him.

Mr. Jamnadas M. Mehta: That was not the consideration. I at least assume that I will be one. It will give us—I was saying—an insight into the matter. I therefore have great pleasure in accepting Mr. Jinnah's suggestion.

Mr. President: The question is that this debate be adjourned.

The motion was adopted.

RESOLUTION *RE* ESTABLISHMENT OF A SUPREME COURT IN INDIA.

Mr. President: Maulvi Badi-uz-Zaman.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muham-madan): Sir, I have his permission to move his Resolution. I beg to move:

“This Assembly recommends to the Governor General in Council to take early steps to bring into existence a Supreme Court in India for (*inter alia*) the disposal of civil suits now disposed of by the Judicial Committee of the Privy Council, and for the disposal of appeals in serious criminal cases.”

The history of my Resolution for the establishment of a Supreme Court for India is as follows:

On the 26th March, 1921, I moved a Resolution in the Assembly for the establishment of the Supreme Court in India. Dr. Sir Tej Bahadur Sapru was then the Law Member and he on behalf of the Government moved an amendment to my Resolution to the effect that the Government would elicit public opinion on the desirability of a Supreme Court in India. This amendment was unanimously agreed to. The Government circularised the Provinces and opinions were collected. On the 23rd September, 1922, I renewed my Resolution in the Assembly whereupon Sir William Vincent, the Home Member, announced that the Government had come to no decision and wanted time as the opinions had been received rather late and were under examination by Government. I then wanted to withdraw my motion, but on technical grounds this was not permitted, and my motion was rejected. On the 5th February, 1924, I interpellated the Government upon their decision on the subject, whereupon Sir Malcolm Hailey gave a reply to the effect that the Government did not consider the time opportune for moving in the matter, and intimated three grounds in support of the Government's position—

1. That there was no identity of opinion.
2. That there would be difficulty in securing proper personnel.
3. The question of finance.

The necessity for the establishment of a Supreme Court for India was strongly pressed upon the Government by Mr. Eardley Norton who heartily welcomed the proposal for the improvement of our Judicial system and disposed of two of the three objections raised by Government in the following words:

“I wish, Sir, to say just a few words in regard to this motion. For my part I welcome it, and I welcome it because I look upon it as a further manifestation of the assertion of that nationalism which it was the object of these reforms to foster and to encourage. There are many objects which have been removed by legislation from our control, upon which an embargo has been placed, such, for instance, as the ecclesiastical, the military and the political departments. They are at present outside our jurisdiction, though I hope that in the years to come my Honourable colleagues in this House will lay their profane hands as well upon those sacred arks. But, at present, the motion with regard to the supreme court deals with a subject over which we have particular jurisdiction, namely, over law and legal tribunals, and I think, that it would be idle to assert that if this country is in time to clothe itself with the full powers, privileges and responsibilities of a country entitled to self-government, it would be idle, I say, to assert that it shall not possess the right to have its own Supreme Court or final Court of both civil and criminal appeal established in India. That there is plenty of legal intelligence in this country, both Indian and English, of that I am satisfied. More than once the Privy Council have openly

complimented the Indian Judges in this country, from the time of the late Mr. Justice-Mahmood of Allahabad down to recent days upon the possession of legal and judicial intelligence not inferior to their own. And I have no doubt whatever, that if and when this Supreme Court comes into existence, we shall find plenty of indigenous talent, English and Indian, to discharge with intellectual credit the grave and varied functions of an accomplished Court of final jurisdiction. Some of us, I admit, have at times felt some little doubt as to whether, if this court were to be manned by a purely Indian element, it could own that complete power of self-detachment and impartiality and inamenable to collateral and outside influences which almost invariably exist at Home. I am one of those, however, who believe that if these qualities do not exist here at present—(a question which I do not wish to enter into now)—I am one of those who believe that these indispensable virtues will also be acquired in the fullness of time, that Indians in this country will find themselves hardening into the same standard of morality as exists elsewhere and be as immune from accessibility and extraneous considerations and influences as we claim ourselves to be. Of that I have little doubt. They only want time. They want a more comprehensive, a more courteous, a more friendly and trustful treatment by Englishmen to make them feel that the absence of moral backbone is not an inherent and lasting disqualification to their fitness for the highest office. If they do not possess this particular class of virtue, there is no reason to suppose that they will not acquire it at a further stage of their political education. I think they will."

The establishment of a Supreme Court in India became necessary immediately after the grant of a constitution of a Federal nature. The provinces were given some measure of autonomy, but the several questions arising out of the constitution were left to be determined by the Executive Government. It is a well known fact that wherever a Federal government is established, there must be a Supreme Court to decide the questions arising between the provinces and the Central Government on the one hand, and the Central Government and the Legislature on the other. Such is the case in the United States of America, where there is a Federal system, and Supreme Courts exist in all the three major colonies of England,—Canada, Australia and South Africa. In his book on "Modern Democracies", Lord Bryce, writing from personal knowledge, says that these courts had done extremely well, though their personnel is entirely local. They command the confidence of the people; are near at hand, and uphold and interpret the constitution whenever necessary.

In India numerous questions have arisen under the present constitution which have been disposed of by the Executive Government: Such questions for example—What are the provincial subjects; what subjects are transferred and what subjects are reserved; the relation between the two; what subjects are votable and what subjects are not; when is the Governor's power necessary to veto the Legislature; what is the interpretation of the various sections of the Government of India Act; what power has the Assembly over the Military budget, and numerous other questions have been disposed of by the Executive Government much to the dissatisfaction of the Legislature. It is inconceivable that any constitution of a Federal character should exist without a Central Judicial authority to uphold and interpret it. There is no Supreme Court in England for the simple reason that that power is vested in Parliament, and England does not enjoy the Federal form of Government. If this were the sole ground for the establishment of a Supreme Court it would be sufficient, but there are several other grounds which support the same view.

The law of Criminal appeal in India is very unsatisfactory. Cases of death sentences are subject to confirmation by the High Court. A compulsory appeal may be made to the confirming bench but there is no appeal after confirmation, the position being that after the sentence is confirmed and becomes final, the accused has no right of appeal to an independent tribunal.

Mr. Devaki Prasad Sinha (Chota Nagpur Division: Non-Muhamadan): I rise to a point of order, Sir. May I draw your attention to Standing Order 27, if I remember aright, which says that a Member who is called by the President should rise from his seat and *speak*. Am I to take it that that includes the practice of reading out a written speech which is very disagreeable particularly in the case of an eloquent Member like Dr. Gour?

Mr. President: The word "speak" in the Standing Order must be held to cover all forms of utterance.

Sir Hari Singh Gour: In England the Court of Criminal appeal has been established to deal with all cases decided by the High Court. It is merely a historical accident that in England as well as in India property was regarded as more valuable than person, and while every safeguard was made against the violation of the right of property there was no protection to personal rights. A sheep stealer was hanged but a murderer was let off with a fine. It is only in recent years that England has wakened up to the necessity of protecting individual liberty, and the result has been the establishment of a court of appeal in Criminal cases. In India Criminal justice is still in a state of mediæval anachronism. Property cases are subject to two and at times three appeals, but the most serious of crimes is not subject to any real appeal at all, excepting the compulsory appeal to which I have adverted, and which is merely an appeal against the recommendation, and not an appeal against the final judgment of the sentencing Court. The Privy Council have in a series of cases refused to exercise their appellate jurisdiction in criminal cases. They have in fact clearly stated in the case of Dal Singh (44, Cal. 876), as follows:

"It is well established that the unwritten principles of the constitution of the Empire restrain the Judicial Committee from being used in general as a court of review in criminal cases. But while the Sovereign Council does not interfere merely on the question whether the court below has come to a proper conclusion as to the guilt or innocence, such interference ought to take place where there has been a disregard or violation of the principle in such a fashion that it amounts to a denial of justice."

In civil cases of the value of Rs. 10,000 and above there is an appeal to the Privy Council if the judgments of the two courts are not concurrent. In other cases of the same value there must be a substantial question of law, which the Privy Council have interpreted to mean, some question of law as still unsettled. This already narrow door of appeal to the Privy Council has further been narrowed by their dictum that where the issues are simple they would ordinarily accept the finding of fact of the trial judge, who has heard the evidence. The unsatisfactory disposal of civil cases, in recent years, particularly cases involving decisions on Hindu and Muhammadan Law, will readily occur to any one. The Privy Council decided Sahu Ram's case in 1917. For seven years they went on repeating their view. A Bill had to be introduced to correct them. Only recently the Privy Council convened a full court of 8 judges and over-ruled their decision in Sahu Ram's case. But in over-ruling it they went too far the other way, and described the son as reversioner to his father. Regarding the law of impartibility, the Privy Council have been speaking with no certain voice. Their view on the subject of Mortgage debt and the meaning of attestation has not given satisfaction. The fact is that in recent years the decision of their Lordships of the Privy Council have not commanded universal and unqualified confidence. Both Lords Birkenhead

and Haldane are reported to have publicly admitted that the Privy Council might usefully be reinforced by trained jurists. Lord Haldane is said to have even gone further and stated that a local Privy Council is ultimately the only possible solution to the Privy Council in England.

That this is the only solution would become apparent to any one who considers the high cost, inconvenience and delay. The Privy Council is not a court. It is merely an advisory body sitting six thousand miles away. • In my speech in the Legislative Assembly on the first occasion I have set out in detail the history of the Privy Council.

Briefly stated its history is as follows—The Privy Council originated with the desire of the King to consult somebody before deciding the cases arising in the Dominions which had no courts of their own. It was admittedly a stop-gap arrangement the object of the Parliament being that as soon as the Dominions grew in importance they must have a court of their own. In pursuance of this policy an Act was passed in 1876 establishing a Supreme Court for Canada which was constituted in 1875. By the Commonwealth Act of Australia, 1900, a similar court was established in Australia. In both countries the Court of final appeal has supreme authority in all civil cases. But the Provincial or Federal Courts have the option either of appealing to the Supreme Courts which sit in the colonies, or of appealing direct to the Privy Council. On January 15, 1924, the Hon'ble Mr. R. Lemieux, the Speaker of the Canadian House of Commons, referred to the agitation among members for the abolition of appeals to the Privy Council. He said that the time had come when the appeal to the Privy Council should be wholly stopped. This shows how the Supreme Court of Canada has functioned, and how popular it has become in the estimation of the people. Appeals from Australia to the Privy Council are of rare occurrence; while in South Africa the Supreme Court gives no option to appeal to the Privy Council at all. It will be thus seen that all the important Dominions of the Empire have self-contained courts for the disposal of their cases.

In India a large body of opinion favours the same course. The Madras Government and 5 out of 7 judges of the Madras High Court have supported this scheme for the establishment of a Supreme Court in India. The United Provinces, the Punjab, the Central Provinces, the North-West Frontier Province, and the Province of Coorg are all in favour of such a court. The High Court of Bihar and Orissa supports the establishment of a Supreme Court. In Bengal, while the Government of His Excellency Lord Ronaldshay was against the establishment of a Supreme Court in India, a member of his Executive Council, Sir Abdur Rahim, in charge of law and justice, recorded a minute strongly supporting it. In Bombay the High Court is non-committal and leaves the question to the decision of the Assembly. It will be thus seen that a very large body of official opinion is in favour of such a court.

The Karachi Chamber of Commerce, an influential body representing European opinion, has supported the proposal to establish the Supreme Court in India. (See pages 32 and 33 of the Compilation.) The Karachi Chamber of Commerce says that "the present method of appeal to the Privy Council involves long delays and heavy expenses. The suggested Ultimate Court of appeal in India would be in a better position to deal with cases which are affected by the personal law of Indians and not in any inferior position to deal with cases of a general nature. Making India self-contained in its judicial institutions, the court would give great sentimental satisfaction, as also material benefit to the Indian people." This

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statement admirably sums up the case of India for the establishment of the Supreme Court here. The Chamber of Commerce, Bombay, have also supported the establishment of a Supreme Court for India. (See page 31 of the Compilation.) The Marwari Association of Calcutta, an influential body, strongly support the proposal to establish a Supreme Court in India. (See page 55 of the Compilation.) The British Indian Association similarly support the proposal. The incorporated Law Society of Calcutta support it.

Mr. S. C. Ghose (Bengal: Landholders): Does it? I deny it.

Sir Hari Singh Gour: I have got the compilation here. You can verify it. My statement is absolutely correct.

It will be thus seen that several representative commercial and other institutions consulted on the subject support the proposal.

It would be impossible to obtain consensus of opinions in favour of the proposal. The Calcutta High Court are against it. Amongst the Governors Sir Reginald Craddock probably voiced the feeling of others as well as himself when he opposes the establishment of a Supreme Court on the ground that it is undesirable to sever or even temper "with a link which connects the Indian Empire with London and England and which has a peculiar value as a bond between the various self-governing Dominions and the Crown." (See page 127 of the Compilation.) But Sir Reginald Craddock probably forgets that the Privy Council is no bond between the various self-governing Dominions and the Crown at all, because each major self-governing Dominion has a Supreme Court of its own.

I now turn to the three objections which Sir Malcolm Hailey raised against the establishment of such a court. As to the identity of opinion I do not think consensus possible. The identity of opinion to which Sir Malcolm Hailey alluded, of course, postulates the unanimity of opinion, which cannot be attained in any case. For example, some Governments have turned down the proposal on the ground that England is the nerve centre of the Empire, and that it should not be disturbed by making India independent of England in judicial matters. The Bar Libraries all over India generally support this proposal. Those who do not, lack self-reliance in that they doubt whether they would be able to obtain suitable judges. But this objection might be raised even if the Supreme Court were established 100 years hence. As Mr. Eardley Norton has pointed out, we must make a beginning. Without a beginning, Indians will never feel self-reliant. Here again, those who swear by the Privy Council might be left free to appeal to that body as is permissible under the constitution of both Canada and Australia, but here as there such appeals are bound to become rarer every year.

As to the question of personnel, Mr. Eardley Norton has disposed of the point in his speech from which I have quoted above. I may add that India will never get such independent judges as is desired nor improve its judiciary unless it has a Supreme Court of its own. Responsibility will harden character. Without responsibility the Indian judges will always feel diffident. Those who think that we should take no risk can overcome this difficulty by advocating the appointment of two English judges on the Supreme Court. The question is one of detail. It does not affect the principle.

Regarding cost, the utmost that the Supreme Court will cost will be about six lakhs of rupees per annum. This is a very small bite if regard be had to the immense advantages to the country, the saving that would be effected in the cost, the improvement made in the administration of speedy justice all of which are well worth the cost of money that would be spent upon it. India would feel that she had risen to her political manhood in having at least one institution that is self-contained and not dependent upon another country. The self-respect of India demands the establishment of such a court. With the establishment of the Supreme Court, *Swaraj* would come nearer; without it, *Swaraj* would be an illusion.

There are again those who oppose it upon other grounds—But they are either afraid of a change or fear that a local Court might not come up to the standard of the Privy Council. Their opposition is thus based upon a mere apprehension, but in view of this strong expression of opinion from the Judges, the Governors of Provinces, and the commercial community both European and Indian, I cannot imagine how the Government can any longer resist the proposal to establish a Supreme Court in India.

Colonel Sir Henry Stanyon (United Provinces: European): Sir, I appreciate and sympathise with the hopes and ideals which have animated the proposal for the establishment of a Supreme Court in India. I have listened with interest to the arguments advanced in support of that proposal, and I am glad to find that it has been moved to-day by the original father of it. But I feel compelled to oppose the Resolution, chiefly on the ground that it is premature. In the present condition of this country the creation and maintenance of an all-India Court, if within the range of practical politics at all, is a course beset with difficulties, and would result in disadvantages which would far outweigh the benefits claimed for it. At present the final judicial authority in British India, as in all dependencies of the Crown, is vested in the Sovereign in Council. Appeals to the Sovereign from parts beyond the seas have been made since the time of King Henry VIII, and are justifiable by virtue of the fundamental principle that it is the duty of the Crown to see justice administered to its subjects. The jurisdiction is founded essentially on prerogative. The right of the subject to claim relief under it may be restricted in self-governing Colonies by express provisions embodied in Colonial Statutes, but the power of the Crown to exercise the prerogative cannot be impaired thereby. The prerogative is not limited to the functions of a court of justice but partakes also of an administrative and executive character. Under the Judicial

Committee Act, 1833 (3 & 4 Will. IV, c. 41), an appeal lies 4 P.M. to His Majesty in Council from the Courts of Judicature in all and any of the dominions of His Majesty abroad. Since the enactment of this Statute this final judicial authority has been exercised through the Judicial Committee of the Privy Council, subject to rules of practice by which effect is ordinarily, but not universally, given to the law of procedure governing the court appealed from. In special cases the limitations upon the right of appeal imposed by local enactments are disregarded and special leave to appeal is given.

By the Judicial Committee Act, 1844 (7 & 8 Vict., c. 69), appeals in civil cases may be brought to His Majesty in Council from any court in any colony or possession abroad, ordinarily subject to the rules of the court appealed from. But where the leave of the court below cannot be, or has not been, obtained, from any cause, His Majesty in Council can give special leave to appeal. Crimes by their nature being local, the jurisdiction over a crime ordinarily belongs to the country where the crime is

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committed. Nevertheless even in criminal cases the prerogative of the Crown stands unimpaired, and the Privy Council gives leave to appeal and advises the Sovereign in proper cases as they occur. If the learned Mover is, as from the wording of the Resolution and from some of the remarks made by him in his arguments seems to be the case, under the impression that appeals to the Privy Council can be put an end to by the establishment of a Supreme Court in India, I think he is mistaken. We have Supreme Courts of the kind referred to in all the greater self-governing Colonies of the British Empire; but the jurisdiction of the Crown to which I have referred subsists. In Canada there is such a Supreme Court, having appellate jurisdiction over all other courts in the Dominion. By the Revised Statutes of Canada, 1906, the judgments of this Court are declared to be final and conclusive. Nevertheless, the Canadian litigant may elect to appeal to His Majesty in Council instead of to the Supreme Court; and in proper cases the Privy Council can and does entertain appeals from the Supreme Court itself. In Australia, as Sir Hari Singh Gour has pointed out, there is a High Court with appellate jurisdiction over every other court and judicial authority in the Commonwealth; and by the Commonwealth of Australia Constitution Act (63 & 64 Vict., c. 12), the judgments of this Court are declared to be final and conclusive. Yet an appeal to His Majesty in Council remains, either under a certificate of propriety granted by the High Court itself, or under special leave to appeal obtained from the Privy Council by virtue of the prerogative of the Crown. Moreover the litigant may give the go-by to the Australian High Court and appeal direct to His Majesty in Council from any State Court.

In Queensland, by the Judiciary Act, 1903, there is a Supreme Court with final powers; but His Majesty's prerogative remains unaffected. In South Africa under the South Africa Act, 1909 (9 Edw. VII, c. 9), there is a Supreme Court; but the position as to appeals to His Majesty in Council is much the same as in Canada and Australia.

But Colonial Supreme Courts have so far only been created in those parts of the Empire where responsible self-government has previously been established. As far as I have been able to discover, there is no instance of such a court in any Crown Colony or dependency. From a strictly constitutional point of view, at all events until the Reforms came into operation, India was much in the same position as a Crown Colony. It is now in a state of transition; but what exactly it will become no man can safely predict. Our hope is that it may evolve into either a single self-governing dominion or into a Commonwealth of self-governing states in federation within the British Empire. In any case it has not yet obtained full responsible government, and until that stage is reached the creation of a Supreme all-India Court would be premature, even supposing it could be effected.

Let me now consider briefly some of the difficulties which stand in the way of setting up such a Court. We can only secure it by an Act of Parliament. It seems hopeless to expect that in the present transitional stage of the constitution in India any British Government would undertake or Parliament would pass the necessary legislation. Assuming that this difficulty was overcome, and the provisions of the Code of Civil Procedure, 1908, as to appeals to His Majesty in Council were wholly repealed, the Letters Patent of the six chartered High Courts would remain. Appeals, at least from those Courts, direct to His Majesty in Council would continue, and the Supreme Court would be merely an alternative

appellate tribunal, the judgments of which would still be subject to appellate correction by His Majesty in Council. It is not conceivable that the Indian provinces concerned would ever consent, or be compelled, to submit to a cancellation of the Letters Patent of their High Courts concerning appeals to the Sovereign.

Then there are disadvantages of a serious kind attendant upon any immediate establishment of a Supreme Court, and I hope the House will bear with me a little longer while I try to enumerate some of them.

First, the cost. The establishment and maintenance of an all-India court would involve a heavy initial outlay and a large recurring maintenance charge. The court would have to be housed with adequate regard for its status and dignity, which means the sinking of considerable sums of money in building and equipment. The Judges would have to be highly paid; the ministerial staff would necessarily be large and the maintenance of the Court library and other equipment would be expensive.

Then location. Where would you put such a court to make it equally accessible to all the provinces, and secure for it a climate in which the necessarily elderly gentlemen presiding as Judges could work all the year round? My friend, Sir Hari Singh Gour, and perhaps others, will naturally say, "Delhi". But a little consideration will show that there are many objections to Delhi which at present is Imperial only for some five months in the year.

Then the third difficulty is a very important one and that is the *personnel* of the Judges. The selection and appointment of the Judges would be an extremely delicate and difficult business; men would have to be found who, not only in fact but also in the opinion of the public, were competent to sit in judgment over the decisions of the provincial High Courts. If wholly recruited in India, would their *dicta* be better, or command higher respect, than those of any of the existing chartered High Courts? We have no all-India lawyers available. On the Indian Benches and at the Indian Bars we have men of provincial experience only. Would the decision of, say, a Bengal *ex-Judge* or a Madras lawyer of eminence, presiding in our Supreme Court, be any better, or be accepted as any better (which is more to the point), than the decision of a Bombay High Court on a case demanding the interpretation of the *Mayukha*, or a judgment of the Punjab High Court on a case of pre-emption in accordance with Punjab custom? It must be remembered that the most eminent and successful lawyers at the provincial Bars are not likely to be attracted to the Supreme Court Bench by any emoluments which the tax-payer in India could afford to pay.

Recruitment in England or elsewhere for the Judges of the suggested Supreme Court is not worth consideration. We should certainly insist on the employment of indigenous talent.

Then, Sir, another point occurs to me, and that is the prestige of the provincial High Courts. I think it will generally be admitted that the prestige of the provincial High Courts at the present time is a necessary and valuable public asset. To make such Courts subordinate to an Indian Supreme Court would, I think, inevitably and materially lower that prestige, which in its turn would seriously affect the recruitment of Judges in those Courts with catastrophic results. At present our provincial High Courts are subordinate only to His Majesty in Council, and that is a status to which the people of each province attach considerable value and which they would not willingly surrender to any extra-provincial authority. I am confident, for instance, that the people of Bengal or

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Bombay or of Madras would strongly resent the subordination of their High Courts to any conglomeration of Judges, sitting as a newly created tribunal, in Delhi. Such a tribunal would no doubt find favour in the eyes of the Delhi Bar, and those members of the legal fraternity still practising, whom Sessions of the Legislature or other causes might compel to live in Delhi from time to time. But I believe that a vast majority of the people of each province—especially each province having a Chartered High Court—would not welcome the proposed Supreme Court.

Commercial objections.—I have some reason for the view that, at all events, some commercial bodies in the large towns of India and Burma would raise serious objections to the establishment of the proposed Supreme Court. No analogy can be drawn in this matter from Colonies like Canada and Australia where no racial differences exist and the people concerned are English, and the language and personal law are also English. For 60 or 70 years the decisions of the Privy Council on the Law Merchant have commanded the respect and have guided most of the tribunals of the world. The Privy Council does not need support from my poor voice. I will only say that no local Supreme Court could ever carry the same weight. Moreover, such a Court might interpret a common form of contract, *e.g.*, a bill of lading, in a manner materially different from an interpretation in England or elsewhere. In the United States of America they have an enactment called the "Harter" Act, which prohibits a common carrier from contracting out of negligence. Recently a suggestion has been made to introduce such an Act into the British Empire. The interpretation of such a law, if passed, would rest with the courts. If the interpretation in Delhi differed from that in London, great confusion would arise. It might lead to a shipping company being liable in London and not liable in India for the same negligence on the same journey proceeding between India and England. (*Pandit Sham Lal Nehru*: "Won't it be *vice versa*.") The same difference might arise in the interpretation of a number of mercantile usages which, so far, have been interpreted in India on English lines.

Then, Sir, something has been said about delay and cost to litigants. I think the argument that appeals to a Supreme Court in India would be more quickly and cheaply decided than are appeals to His Majesty in Council is a contention open to controversy. If we were to compare the relevant statistics, I believe we should find that, in point of time, the average duration of appeals to the Privy Council does not compare unfavourably with the average duration of appeals to the Indian High Courts.

As to expense, it is certain that provincial advocates would be taken to conclude the struggle in the Supreme Court in all important cases, and that legal advice would not cost less, and might cost much more, than the amount for which quite efficient counsel are obtainable in England. In other respects as to costs, the Indian Court, with substantial court-fees thrown in, would certainly not be cheaper.

There are also other grounds against the Resolution, but I must not take up the time of the House any longer. I would however strongly recommend the adjournment of the proposal for an all-India Court, at all events until we have obtained full responsible Government. As a Member of the Indian Bar Committee, I learned the many difficulties standing against the achievement of an all-India Bar at the present time, and it seems to me that most of these operate against the establishment of an all-India Court. Such a Court will come one day when the constitutional evolution

now in progress has matured, but the time for it is not yet. At the present time, it would be an expensive institution, causing considerable derangement in our existing system with no compensatory advantages to the general public.

Khan Bahadur Sarfaraz Hussain Khan (Patna and Chota Nagpur *cum* Orissa : Muhammadan): Sir, after the eloquent speech delivered by my Honourable friend Sir Hari Singh Gour in support of the establishment of a Supreme Court for India, there remains very little for me to say, and I do not think any comment or explanation is needed from me to further support the proposition. I have, however, my own misgivings and apprehensions. There is not the least doubt that, if a Supreme Court were established in this country the litigant public would be saved from a great deal of expense which they are now put to by having to go to the Privy Council in appeals from the High Courts here, and so if a Supreme Court were established here, the litigant public will not be put to such an enormous expense. At the same time, we have to take into consideration the fact that if we multiply courts and establish a Supreme Court in India, we shall be placing a temptation before the litigant public to go on fighting from court to court; and litigation, it must be clearly understood, has been the cause of ruin of many great families. This is also one of the points to be considered.

Again, Sir, as far as I remember, a Resolution was passed in this House for the establishment of Panchayats, and if we accept this Resolution for the establishment of a Supreme Court in India, it will be tantamount in a way to the negation of that recommendation.

Then, Sir, as referred to by Sir Henry Stanyon, we must look into the question of expense and personnel. Whether the Judges are to be imported from England or whether we should employ indigenous talent is also a question for our serious consideration.

Then again, a Supreme Court cannot be established except by an Act of Parliament. But in the present political condition of India, it is not at all possible that such an Act would be passed. Therefore, even if we pass this Resolution now, it would be impracticable to give effect to it.

Then I come to some of the reports. I have gone through some of them very cursorily. Looking at the Bengal Government report, I find the Bengal Government say that a majority, including the High Court, are against the proposal, and that His Excellency accepts the opinion of the majority. I will just read what the Bengal Government says:

"The opinions received may be roughly divided into two classes. One class, which forms the majority, including the Honourable Judges of the High Court, hold that it is neither desirable nor necessary to establish such a Court."

And the Calcutta High Court, Sir, has the highest reputation in India. (Mr Devaki Prasad Sinha: "And the Patna High Court?") Whatever it is it is—don't be so selfish. Then I come to my own province, Bihar and Orissa. There is no doubt that the High Court is in favour of the establishment of a Supreme Court in India, but the High Court Vakils' Association is against it, and opposes the proposal. Now, the vakils are the men who have in some ways more experience of the people than the High Court Judges and so in this matter we should attach more importance to the opinion of the Vakils' Association than to that of the High Court Judges. Well, however, the report further says:

"His Excellency considers the proposal premature."

[Khan Bahadur Sarfaraz Hussain Khan.]

I have also looked into other reports but very cursorily. The United Provinces Government says something in favour of the proposal but the High Court think that the change would be one for the worse. There is no doubt that the opinions are divided, but taking into consideration not only the opinions of the High Courts but of the general public, and of the zamindars, and considering also as to what the effect of the change would be on the general public, specially when the people are satisfied with the judgments of the High Courts and there is no clamour, there seems to be no reason why we should be attempting to legislate for a Supreme Court in India. With these remarks, I oppose the Resolution.

Mr. President: Does the Honourable Member move his amendment?

Khan Bahadur Sarfaraz Hussain Khan: No, Sir, I don't move it.

Maulvi Muhammad Yakub (Rohilkhand and Kumaon Divisions: Muhammadan Rural): Sir, I also regret that I find myself unable to support the pet Resolution of the Honourable Sir Hari Singh Gour. Sir, it is very well to say that India should be self-contained, it is very well to say that we should not be compelled to travel a distance of 6,000 miles in order to gain justice, but, Sir, these are all mere sentimental arguments which carry no weight in the practical life of the world. Sir, the idea of the word "self-contained", so far as I think, is that a country should be able to produce the necessities of life of the country, but certainly luxury in litigation is not a necessity for the life of the country. My reasons for opposing this Resolution are, as has already been pointed out, firstly, that it will increase the mania of litigation which is already sucking the life-blood of the people of this country. We, who belong to the profession of law, know it very well that even now every appeal, whether strong or weak, which can go up to the High Court is taken to the High Court; and if a Supreme Court is established in India, I am positive that all the cases, howsoever weak they may be, if they are eligible to be taken to the Supreme Court will be filed in that Court and in this way the malady of litigation will increase out of all proportions. Secondly, Sir, comes the question of expenditure. Well, it has already been pointed out that this scheme would involve a very large amount of expenditure. But there is one thing more and it is this, that it is impossible in India to secure the services of eminent Judges like the Judges of the Judicial Committees of the Privy Council on the insignificant honoraria which they get in England. In India you would have to pay them a salary larger than the salary which the Judges of the High Court in India draw nowadays and in the present financial condition of the country, it will not be certainly patriotic to saddle the country with such an enormous expenditure. Thirdly, Sir, I also think that the judiciary of the country will also suffer in independence on account of the establishment of a Supreme Court in India, for this reason that almost all the Judges of the High Courts in India will then aspire to a seat on the Bench of the Supreme Court and it is very likely that in order to gain that ambition of theirs they may be inclined to work in such a way as they may be able to win the favour of the authorities in whose power lies the bestowing of that post of honour. In that way I think, Sir, the judiciary of the country will also be impaired. Then, Sir, last of all, I think that it is impossible in India for any Judge, whether Indian or English, to get that healthy and that free atmosphere which prevails in

England and for a Supreme Court of Justice it is highly desirable that the atmosphere should be clear and free from local prejudices and local influences. With these remarks, Sir, I oppose this Resolution, and I think that the establishment of a Supreme Court will do more harm to the country than good.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Rural): Sir, I rise to speak on this motion not because I consider it absolutely necessary to do so but because I think I owe it to my friend Sir Hari Singh Gour who had kindly furnished me with an advance copy of the speech he has delivered to-day to say something about it. I am sorry to say that I cannot support him, but I consider it my duty to give my reasons for differing from him. My Honourable friend had probably been dreaming of a federal India when he framed this Resolution. I am afraid that dream will take some time to be realised and meanwhile I think his proposal of having a Supreme Court in India is a bit premature. My friend has tried to water the top of the tree instead of its roots. The judicial system and the constitution of courts in this country in my humble opinion require overhauling from top to bottom. A country where the executive and the judicial functions are combined, where a controversy has been raging for years past over the separation of these two functions without any results, a country where there are racial discriminations in the administration of criminal justice, is not the country to have a Supreme Court within its own borders. I think it is too high an ambition to be entertained. The very first thing that we have got to do is to reform such courts as we have and also the procedure which is followed in these courts. No number of Supreme Courts in India would in any way promote the cause of justice so long as the executive and the judicial functions remain combined as they are and racial discriminations continue to be observed as now. The arguments which have been advanced by my friend have been sufficiently answered by my friend the Honourable Sir Henry Stanyon and other speakers. I wish only to point out that a distance of six or seven thousand miles between the highest court of appeal and the Government of India is in my opinion none too long. After all, Sir, an appeal to the Privy Council, as I know from my personal experience, is more or less a luxury for the rich, and I really do not see why the poor man should be burdened in order to afford that luxury to the rich. If a Supreme Court is established in India, the finances of India will have to be burdened with the expense of the maintenance of that Court. That means taxation, and there is no reason whatever why this luxury should be enjoyed by the rich at the expense of the poor. Now, Sir, I must not be taken in any way to minimise the importance of the Privy Council. As it is, cases of the grossest injustice have happened in this country and they have been taken to the Privy Council at a more or less reasonable cost to the litigants. In fact, I have myself been concerned with small and petty cases in which the importance of the question raised induced their Lordships of the Privy Council to give special leave to appeal. Some of these appeals have been successful in very small cases in which the successful litigant before their Lordships had lost all along the line from the Munsif's court to the High Court. Reports will be found in the books laying down most important principles of law in petty cases which have since governed big as well as small cases. It is not always that the cost of a Privy Council appeal is prohibitive. In most cases it is, but not always. In any case, I think whatever hardship is at present suffered on that score

[Pandit Motilal Nehru.]

is not too high a price to pay for the justice that is ordinarily obtained in the Privy Council.

As for the personnel of the proposed Court, I generally agree in what my friend Sir Henry Stanyon has said. In my own opinion, Sir, it will be difficult to find competent men to occupy seats on the bench of the Supreme Court of India outside the ranks of superannuated judges or Chief Justices or perhaps also equally superannuated members of the Bar. I really do not see how else it will be possible to fill the appointments that will be thrown open on the Bench of this exalted Court. There is every reason at the present stage for us not to think of a Supreme Court in India. I quite agree that the time for it will be when we are a self-governing people and not a day before.

Mr. K. Ahmed: Will it be a long time after 1929?

The Honourable Sir Alexander Muddiman (Home Member): Sir, my task has been very considerably simplified by the course which this debate has taken. (*Mr. M. A. Jinnah*: "Question?") First of all I will draw the attention of the House to the reply which was given by my predecessor in February, 1924, when pressed on this point by my Honourable friend the present Mover of this Resolution. He then observed as follows:

"We have carefully considered the opinions expressed in the correspondence and in the debates in this Assembly. We consider that they indicate clearly that there is no identity of opinion between Local Governments, High Courts or legal authorities, whether Indian or European, in favour of the early institution of a Supreme Court, while the question of its location also involves much difficulty."

I would merely pause to comment here by saying that the course of the present debate appears entirely to support the conclusions at which my predecessor arrived on that point. He went on to say:

"We consider also that the opinions clearly indicate that there will be great difficulty in any circumstances in securing a personnel for the Court which would be likely to give it a status and reputation equal to that of the Judicial Committee of the Privy Council."

On that point, the speakers who have gone before have, I should think, sufficiently established that proposition, and it is unnecessary for me to pursue it further. Several of them at any rate are persons who have had personal experience in their professional capacity of the benefit of the Privy Council decisions and I think I need hardly detain the House further on that point. As my Honourable friend the Pandit has pointed out, it is not only in cases where rich men are engaged but frequently in case where the litigants are far from rich that decisions have been arrived at by the Privy Council which have established very important points of law and secured justice to the poorest litigants. I remember an old Law Member, whom I knew personally not in India but in England, telling me that he once heard that in a certain village an altar had been erected to an unknown God and the unknown God was the Privy Council. The Judicial Committee had decided some water dispute in favour of the village and given justice to the lowly. Even in most remote parts of India the merits of the Privy Council as a final court of appeal have received full appreciation.

Now, I desire to invite the attention of the House for a few minutes to the practical side of the case. What do you get by your appeal to the Privy Council? You get something for which you pay nothing except perhaps in court-fees.

Diwan Bahadur T. Rangachariar: No court-fees.

The Honourable Sir Alexander Muddiman: You get something for which you pay nothing. You get the advantage of a court where the Lords of Appeal sit. You get the best English lawyers and in addition you get the advantage of two Indian Judges who are paid a total of £800 a year by the British Government. It is a point where possibly opinions may differ whether something more ought not to be done to strengthen that side of the Privy Council. I have received opinions and in so far as I have considered the matter, I am personally in agreement with the view that something might well be done on these lines. But that is a very different thing from the establishment of an independent Supreme Court of Appeal in this country. I need not traverse the suggestion that the expense and inconvenience to the litigants is great under the existing system. Admittedly it must be so. If you have a tribunal situated at such a distance, the expense of appeal will be great, but I doubt very much whether by the time you work out your Supreme Court, you would find the cost to India as a whole very less. I should be inclined to think, judging from my own experience in endeavouring to recruit Judges for the existing High Courts, that you will have to pay a very high price indeed to secure candidates for the post of Judges of the rank which will be necessary if your Supreme Court is to command respect. As regards those in large practice in India it is difficult indeed to secure their services for the existing Courts. It would be impossible, and I think the House will generally agree on this, that whatever you pay to secure men of the age and standing of the Lords of Appeal who sit on the Judicial Committee, whatever sum you might offer, their age and their standing would prevent them taking a risk at a late period in their life in visiting a country where the climate will certainly not be suitable to them generally.

Then I should like just to draw attention to one or two points in connection with the opinions. My Honourable friend Sir Hari Singh Gour quoted I think the Calcutta Bar as being in his favour.

Sir Hari Singh Gour: No, I did not quote the Calcutta Bar.

The Honourable Sir Alexander Muddiman: The High Court Vakils' Association. (*Sir Hari Singh Gour:* "No.") I apologise to the Honourable Member if I misunderstood him. I thought he said so. The matter is of some importance and I should like to clear the issue on that point. The impression he left in my mind was that he was arguing that some professional opinion in Calcutta was in his favour. The Vakils' Association of Calcutta was against the proposal for establishing at the present time a Supreme Court of Appeal in India. They wrote a long and valuable opinion in which they made one observation which I commend to the House. They say:

"The British people take good care that Judges of their Final Court of Appeal should be their foremost lawyers, and Indian litigants to the Judicial Committee reap the advantage of this vigilance and care in the selection of Judges. It cannot be expected that British lawyers of that calibre will be available in India for the proposed Supreme Court. A Haldane or Finlay, a Sumner or a Shaw will not certainly leave his country to serve in India."

I think, Sir, that is a very sound opinion if I may say so. The Bar Association of Calcutta said:

"We are not in favour of the creation of the suggested court as we consider that it would be impossible to obtain the services of a full complement of Judges at all equal in attainment or ability to the members of the Judicial Committee."

[Sir Alexander Muddiman.]

I have merely mentioned these two opinions because the Honourable Member's speech did leave in my mind the impression that professional opinion in Calcutta was in favour of his proposal. In fact, it is not so. It is not in favour of the proposal to establish a Supreme Court of Appeal in India now. I do not think I need detain the House further. My Honourable friend Sir Henry Stanyon has refuted many of the points made by the Honourable Mover. We find lawyers who do not belong to the same school of politics ranged on the same side as regards this question.

Sir Hari Singh Gour: I stated that the Incorporated Law Society of Calcutta was in favour of the proposal. You will find, Sir, that at page 61 of the compilation my statement is borne out. They say:

"The establishment of an ultimate Court of Appeal in India is desirable."

The Honourable Sir Alexander Muddiman: Will my Honourable friend read on?

Sir Hari Singh Gour:

"but my Council is of opinion that the existing conditions are not favourable to the establishment of such a Court. At the same time my Council thinks that having regard to the great hardship that has been felt in criminal cases of importance, an ultimate Court of Appeal and revision should be established under proper safeguards."

The Honourable Sir Alexander Muddiman: I will read the sentence as it runs in my copy:

"The establishment of an ultimate Court of Appeal in India is desirable, but my Council is of opinion that the existing conditions are not favourable to the establishment of such a Court."

Sir Hari Singh Gour: Will you kindly read on the next sentence?

The Honourable Sir Alexander Muddiman: I have read I think what is sufficient for the purposes of the House. When I was interrupted, I was proceeding to show that the opinion disclosed by this debate confirms the view that had previously been expressed by the House that the time is yet premature for the consideration of the immediate establishment of a Supreme Court of Appeal in India. I agree with the view that has been expressed that when in the fulness of time Dominion status is acquired by India then would be the time for the immediate consideration of the proposition in regard to the establishment of a Supreme Court of Appeal here. I therefore trust that the House will reject the motion made by my Honourable friend.

Mr. K. C. Neogy: I move that the question be now put.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): I listened to the Honourable the Home Member, I also listened to my Honourable friend, Pandit Motilal Nehru, and I listened to my Honourable friend, Sir Henry Stanyon. (*A Voice:* "And Sir Hari Singh Gour.") I have read his speech and therefore I could safely be outside the House when he was delivering it. Sir, my Honourable friend Sir Henry Stanyon put forward various grounds. He said that it will benefit lawyers—those that are practising. Having made his pile and retired, he grudges those who are practising. Sir, we might make him a Judge of the Supreme Court yet and then he might get a fat salary. To my mind it is beside the question to say that lawyers will benefit and that they will make money. As

long as this world is going to continue lawyers will continue. (*A Voice*: "To make money.") Even on this question you have a great difference of opinion in this House, and if it has to be properly argued, probably you will have to employ some lawyer to do it. But let us get to the real thing. My Honourable friend, Sir Henry Stanyon, said that it will lower the prestige of the provincial High Courts. Why? I really fail to see it. How is it going to lower the prestige of the provincial High Courts? Then you find in the Privy Council for which I have great respect, although I have no hesitation in saying that the Privy Council have on several occasions absolutely murdered Hindu law, and slaughtered Muhammadan law—with regard to common law, the English law, of which they are the masters, undoubtedly they command the greatest respect of every practitioner and of every Judge in this country. (*Mr. K. Ahmed*: "Contempt of Court.") My Honourable friend forgets that as long as I stand on the floor of this House I cannot be charged with anything at all. He has not realised his own privileges yet although he has been a Member of this House for the last four years. But apart from that, what is meant by saying that if you have a Supreme Court you will lower the prestige of the provincial High Courts. Who are the Members of the Privy Council? Two of them, or rather three of them at least were Indian Judges who had served in the High Courts here. One is Sir Ameer Ali, another is Sir Lawrence Jenkins, and a third is Sir John Edge. All of them started their career in this country. We trained them up. We raised them to the High Court and then they became Members of the Privy Council, and do you mean to say that it does not lower the prestige of the High Courts in India, when they sit in judgment over them?

Pandit Shamlal Nehru: You did not raise Sir John Edge to the bench?

Mr. M. A. Jinnah: Sir John Edge was a member of the High Court bench at Allahabad and my Honourable friend, Pandit Shamlal Nehru

Pandit Shamlal Nehru: I only said that he was not raised by my Honourable friend to the High Court bench here. He came out from England.

Mr. M. A. Jinnah: He was born in England, but we raised him to the bench here. We did it. Where did he get his training? In India. Where did Sir Lawrence Jenkins get his training? In India. And of course, Sir Ameer Ali was born here. I am only trying to meet the argument of my Honourable friend, Sir Henry Stanyon, that it will lower the prestige of the High Courts here. What is the other ground that my Honourable friend, Sir Henry Stanyon, put forward? He said that there will be many questions of commercial documents and commercial law and it will be difficult for Indian Judges to decide upon the interpretation or construction of those documents. I should like to ask him the same question. Two of the Members of the Privy Council were Judges of the High Courts here and they were trained up here, and do you mean to say that throughout India you cannot get sufficient men? After all, how many men do you want? My Honourable friend, Sir Henry Stanyon, said, "You will have to find a place. You will have to pay the Judges. It will be an enormous expenditure and there is no place in India large enough to locate the Supreme Court." But the Supreme Court will

[Mr. M. A. Jinnah.]

consist of how many men? At the utmost 3 or 5. (*Diwan Bahadur T. Rangachariar*: "Why?") Why, because your Privy Council does not consist of more than 3 or 5 men. My learned friend says "Why". How many are you going to have—five thousand? And how long does the Privy Council sit? Only for a few months and you have not more than 3 or 5 sittings. (*Sir Hari Singh Gour*: "Ordinarily 3.") Then I am told that litigation will go up by leaps and bounds the moment you establish the Supreme Court. It is an absurd suggestion to make that litigation will multiply by leaps and bounds. (*Diwan Bahadur T. Rangachariar*: "Nobody said that.") I am only meeting the argument of Sir Henry Stanyon. He said, "Oh, it will be difficult to accommodate them. There will be no place to accommodate them . . ."

Colonel Sir Henry Stanyon: My Honourable friend has completely misunderstood me. What I said was that the location of the Court should be such as to make it equally accessible to all the provinces. It had nothing to do with the amount of room occupied.

Mr. M. A. Jinnah: Delhi is big enough and long enough. Miles and miles of buildings are cropping up, which are enough to dazzle anybody; and why cannot we locate the Court in a small building? Then I was told about the cost of it and the ministerial staff you would require. What ministerial staff would you require for this Supreme Court? Do you want the Government of India staff to be placed at their disposal? You know perfectly well what the ministerial staff of the Privy Council is. You know perfectly well how long the Privy Council sits. What is the good, therefore, of exaggerating and raising these bogeys. I have great respect for Pandit Motilal Nehru, but I most emphatically differ from him on this subject. He said that so long as we have not got Swaraj, the federal state of Government that Sir Hari Singh Gour contemplated, we must wait. Then he said that racial distinctions must disappear and that we must get power in our hands and then immediately we will consider the question of establishing a Supreme Court. If that principle is going to guide us in every proposal that comes before us, that we are not to do this and to do that till Swaraj is attained, I think we had better close up this Assembly.

Pandit Motilal Nehru: That is the best thing to do.

Mr. M. A. Jinnah: Then why don't you go out?

Pandit Motilal Nehru: Because it goes on in spite of me.

Mr. M. A. Jinnah: Then the cat is out of the bag. Then I take it you are opposing this proposal from a destructive motive. (Here Pandit Motilal Nehru made some remarks in a low tone which were inaudible). I am always afraid of Government when they agree with me. I have great regard for my friend there, the Home Member, but when he agrees with me I sometimes say to myself—perhaps I am wrong. This is one of those occasions when my Honourable friend the Home Member agrees with Pandit Motilal Nehru. I advise my friend Pandit Motilal Nehru to hesitate and think before he goes into the Government lobby on this question. Sir, I want the Supreme Court to be established. I quite agree with the Home Member when he said that there was a difference of opinion. I realise it. I recognise it but I ask the Government—do they always do

a thing or not do a thing because there is a difference of opinion in the country? They only do it when it suits them. As a friend of mine once said, if out of 325 millions there was one man in India who agreed with the Government of India, that was public opinion. I ask the Members of this Assembly not to be led away and I also appeal to my Swarajist friends not to go into the Government lobby and vote. I therefore strongly support Sir Hari Singh Gour's Resolution and I hope it will be carried.

Mr. C. S. Ranga Iyer (Rohilkhand and Kumaon Divisions: Non-Muhammadan Rural): I had no intention of speaking on this Resolution but what Mr. Jinnah has said has forced me to do so. I thought that Mr. Jinnah was going to give us some reasons for supporting this Resolution and the profound reason that he has given is that when the Home Member agrees with Pandit Motilal Nehru, Pandit Motilal Nehru must be in the wrong! I thought that Mr. Jinnah had better reasons than that. As for the question of the multiplication of litigation, of course, Mr. Jinnah is not much interested. Litigation, am I to believe goes against the very grain of a practising barrister—I am not talking of barristers who have suspended practice! A Supreme Court without Swaraj is an illusion. As for hugging illusions Mr. Jinnah has always been an expert in that line. They talk of colonies but a Supreme Court in this country will be to-day but a Colonial camouflage. Pandit Motilal Nehru unfortunately for Mr. Jinnah and others of his school of thought did not and does not believe in putting the cart before the horse. We are told: first have the Supreme Court and then you will have responsible Government. Sir, we concentrate on responsible government and when we get it, we will not only have our Supreme Court but the whole administration modelled on lines that we choose. Mr. Jinnah tried to shatter by "a gesture and a poise" the argument about separation of judicial and executive functions, of racial discrimination, and so on. On this question of establishing a Supreme Court in this country opinion is not unanimous, though of course Sir Hari Singh Gour is very much enthusiastic about it. What we want is not a Supreme Court but supremacy.

Sir Hari Singh Gour: It has been very refreshing to hear the divergent views expressed and I am somewhat surprised that the follower of Mr. Gandhi has for once deserted him because if I understand it aright it is the third point in his Belgaum speech when Mahatma Gandhi preached to his disciples, including my friend Pandit Motilal, advocating the establishment of a Supreme Court in India. I was little prepared for this

5 P.M. exhibition of revolt on the floor of this House by his *fidus achates*. And what are the reasons that he has given? The reasons that he gives are, we shall have nothing of your improvements in the social or political structure of this country unless we get *Swaraj*. I am afraid my friend is living in Arcadia if he ever thinks he is going to get *Swaraj* in one morsel. If he is an aspirant for *Swaraj* he will get it in instalments. And I submit, Sir, that if he gets a Supreme Court in India it will be *Swaraj* in the Judicial Department and he will be nearer to it than he ever would be with his round-table conferences or oblong-table conferences. I have no patience with doctrinaires who aspire to *Swaraj* but do not know how to get it. (A Voice: "Do you?") Then, Sir, my learned friend for once sees eye to eye with my friend Colonel Sir Henry Stanyon. (Pandit Motilal Nehru: "I protest against that because I have often agreed with my friend Sir Henry Stanyon.") I am very glad to hear, Sir, that my friend Pandit Motilal Nehru has made a compact to agree with Sir Henry Stanyon. (Pandit Motilal

[Sir Hari Singh Gour.]

Nehru: "We have practised together at the same court too.") I see, Sir, they agree not because it is right to do so but because they practised together. I now understand, Sir, (*A Voice*: "The reason.") the reason why they agree. Now, Sir, I pass on to Sir Henry Stanyon because he is the protagonist of the opposition (*Pandit Motilal Nehru*: "Why don't you go on to my reasons?")—because he is the protagonist of the opposition of which my learned friend Pandit Motilal Nehru is the humble henchman. I am surprised to hear a lawyer, Sir, of Sir Henry Stanyon's eminence proclaim to this House that His Majesty's prerogative is in danger by the establishment of a Supreme Court in this country, and in that very breath say that there are Supreme Courts established in the major Colonies of England, such as Canada, Australia and South Africa. Is the King's prerogative in danger or in jeopardy in those Colonies? My friend has entirely forgotten that the King's prerogative remains where it is and the Supreme Court is a Court that will merely take the place which the Supreme Courts in the major Colonies of England have taken long go. And then my learned friend says, a Supreme Court will come only when you have self-Government; a Supreme Court is a distant dream, it is a vision which you may see but it will only come to you when you have self-Government. And my friend Pandit Motilal Nehru with a strange irony ejaculated, "Yes it is only then that it will come." I am surprised, I am astounded that the two Honourable Members of my profession who are in politics as the Poles asunder should combine upon a matter on which I am asking this House to give to the people of this country (*A Voice*: "More litigation") judicial independence. Then, Sir, my Honourable and learned friend Sir Henry Stanyon said that if you have a Supreme Court in this country you will be affecting the powers of the High Courts and the prestige of the High Courts would diminish. If that were the argument used that would be an insuperable argument to the establishment of Supreme Courts in England's large Colonies; and yet how is it, Sir, that in all the Colonies to which I have referred, Canada, Australia and South Africa, there are Supreme Courts in existence side by side with the High Courts. Then, Sir, my friend said, "Look at the question of location, look at the question of personnel, look at the question of cost." I thought, Sir, that after the doyen of the Indian Bar, Mr. Eardley Norton, had disposed of this question, my friend Sir Henry Stanyon would meekly submit to his higher and more experienced authority. But I now find that the argument has once more been revived and my learned friend has completely forgotten that if there is no place fit for the establishment of a Supreme Court in this country; there is no place in this country fit for the establishment of a Central Legislature; because while the Supreme Court administers the law, the Central Legislature enacts it. It is a superior body, and if there is no proper place for the establishment, I say, of a Supreme Court; there is no place for the establishment of the Central Legislature. Then it has been said, what about the personnel? Sir, I heard these remarks with a certain amount of sadness. When I see before me High Court after High Court rising empowered to pass final and irrevocable sentences of life and death without recourse to appeal to any higher authority; when I find cases—it may be said 999 out of 1,000—of great value finally disposed of by these High Courts, I cannot myself believe that there is any dearth of personnel in this country. Do you not trust your High Court Judges? Are they not men of honour, integrity and

learning? I submit, Sir, that if you have faith in your High Court Judges you would equally have faith in the personnel of the Supreme Court.

Pandit Shamlal Nehru: May I draw the Honourable Member's attention to the fact that it is getting very late now.

Sir Hari Singh Gour: My Honourable friend has to thank his leader for that. Then, Sir, as my Honourable friend Mr. Jinnah has pointed out, what is the personnel of the Privy Council? Are not three members ex-Indian Judges? And did they not serve their full term in this country? And if they are still capable of disposing of cases in the Privy Council, can you not get men of the same calibre, eminence and intelligence to man your Supreme Court? Then, Sir, we were told about the cost. I need not detain this House on the question of cost. I have already pointed out that if you are to get justice, if you are to aspire to justice, no cost, I submit, is too great for it, and I for one would refuse to look at the question of cost when it is a question of justice. Then we were told further by one of the members of my own profession—the argument has been repeated, and I have no doubt is in the minds of many Honourable Members of this House—that the establishment of a Supreme Court in this country will promote and foster litigation. Now, Sir, do the Honourable Members, and my friend, the Honourable Pandit Motilal Nehru who ejaculates “Hear, hear”, consider the consequences of what he says? If there are litigants in this country who want to seek justice and if these seekers after justice are debarred from going to England, is that any reason why you should not bring justice home to them?

Pandit Motilal Nehru: Why are they debarred? Who debarred them?

Sir Hari Singh Gour: Distance, time, cost, inconvenience. Well, Sir, my submission is that this particular argument that there would be more cases for disposal by the Supreme Court if it is established is the best vindication for the establishment of a Supreme Court in this country. The Honourable the Home Member repeated the arguments of his predecessor and said, “There is no identity of opinion”. I know, Sir, that there is no identity of opinion in this country. Men come and talk of *Swaraj*. If the Honourable Sir Alexander Muddiman were to get up and say, “Gentlemen, you will have *Swaraj* from to-morrow”, these *Swarajists* will go in deputation to his house, besiege all the nooks and corners of his bungalow and tell him, “Please do not give us *Swaraj*, we cannot manage it.” I am only surprised that the Honourable the Home Member does not make them the offer—they are thoroughly unfit.

Pandit Motilal Nehru: That is why the Honourable Member has gone back from the *Swaraj* camp.

Sir Hari Singh Gour: Yes, Sir, time has made me wiser. (Laughter.) I feel, Sir, that those who oppose my Resolution do so out of diffidence and lack of confidence in the power of themselves and of their fellow-countrymen. I am one of those who feel, and I have always felt, the utmost respect for their Lordships of the Privy Council, but I have not disguised the fact, namely, that in cases of Hindu and Muhammadan law the judgments of their Lordships of the Privy Council have been far from satisfactory, and I have given my reasons for it; and the Honourable the Home Member has admitted that some reinforcement of that tribunal is necessary. Whether that reinforcement should take the form of strengthening it in England

[Sir Hari Singh Gour.]

or establishing a Court in this country is a matter of detail; and I submit, Sir, that my Resolution is supported by numerous Associations in this country, and I have got a compilation of them here. I have referred to the leading opinions in my speech and I have a compilation here in which I have set out the pros and cons: and I feel fortified in saying that a substantial body of public opinion supports my proposal. But whether a substantial body of public opinion did or did not support my proposal, I have the supreme satisfaction that my proposal is supported by reason—and those who are reasonable men in this House will support me.

Mr. President: The question is that the following Resolution be adopted, namely:

“This Assembly recommends to the Governor General in Council to take early steps to bring into existence a Supreme Court in India for (*inter alia*) the disposal of civil suits now disposed of by the Judicial Committee of the Privy Council, and for the disposal of appeals in serious criminal cases.”

The Assembly divided:

AYES—15.

Abdul Kasem, Maulvi.
Alimuzzaman Chowdhry, Mr.
Das, Mr. B.
Dutt, Mr. Amar Nath.
Gour, Sir Hari Singh.
Ismail Khan, Mr.
Jajodia, Baboo Runglal.
Jeelani, Haji S. A. K.
Jinnah, Mr. M. A.

Muhammad Ismail, Khan Bahadur Saiyid.
Ramachandra Rao, Diwan Bahadur M.
Ray, Mr. Kumar Sankar.
Roy, Mr. Bhabendra Chandra.
Shams-uz-Zoha, Khan Bahadur M.
Venkatapatiraju, Mr. B.

NOES—56.

Abdul Mumin, Khan Bahadur Muhammad.
Abhyankar, Mr. M. V.
Ahmad Ali Khan, Mr.
Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Blackett, The Honourable Sir Basil.
Burdon, Mr. E.
Calvert, Mr. H.
Chaman Lall, Mr.
Chetty, Mr. R. K. Shanmukham.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Dalal, Sardar B. A.
Das, Pandit Nilakantha.
Fleming, Mr. E. G.
Ghose, Mr. S. C.
Graham, Mr. L.
Hira Singh, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Innes, The Honourable Sir Charles.
Iyengar, Mr. A. Rangaswami.
Kasturbhai Lalbahai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi Muhammad.
Malaviya, Pandit Madan Mohan.

Marr, Mr. A.
McCallum, Mr. J. L.
Mehta, Mr. Jamnadas M.
Misra, Pandit Harkaran Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir Alexander.
Naidu, Mr. M. C.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Raj Narain, Rai Bahadur.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sarfaraz Hussain Khan, Khaw Bahadur.
Sastri, Diwan Bahadur C. V. Visvanatha.
Singh, Mr. Gaya Prasad.
Singh, Rai Bahadur S. N.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Ganganand.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Willson, Mr. W. S. J.
Yakub, Maulvi Muhammad.

The motion was negatived.

RESOLUTION *RE* PROVISION OF INDIAN REFRESHMENT ROOMS ON THE EAST INDIAN RAILWAY.

Maulvi Abul Kasem (Bengal: Nominated Non-official): Sir, I understand that the Railway authorities accept the principle of any Resolution and that they have provided in their budget for some refreshment rooms, and I think that no useful purpose will be served by my formally moving this Resolution.* I do not, therefore propose to move it.

RESOLUTION *RE* ESTABLISHMENT OF A MILITARY COLLEGE.

Mr. B. Venkatapatiraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, the Resolution that stands against my name runs as follows:

“This Assembly recommends to the Governor General in Council that early steps be taken for starting a well-equipped Military College in a suitable locality to train Indians for the commissioned ranks in the Indian Army Service and the necessary amount be sanctioned to start the preliminary work.”

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): May I move, Sir, that the discussion of this Resolution be adjourned till the next non-official day?

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 18th February, 1925.

* “This Assembly recommends to the Governor General in Council that Indian refreshment rooms (Hindu and Muhammadan) should be provided at the principal railway stations on the East Indian Railway.”

APPENDIX A.

*Statement showing the Debt of India outstanding on the 31st March 1914,
the 31st March 1924 and the 31st March 1925.*

(Figures in crores of rupees.)

	31st March 1914.	31st March 1924.	31st March 1925.
<i>In India :</i>			
Loans	145.69	358.81	370.40
Treasury Bills in the hands of the public.	...	2.12	...
Treasury Bills in the Paper Currency Reserve.	...	49.65	49.65
Other obligations—			
Post Office Savings Banks.	23.17	24.79	26.04
Cash Certificates . .	...	8.42	13.02
Provident Funds, etc. .	10.93	39.20	42.10
Total Loans, etc. .	145.69	410.58	420.05
Total other obligations .	34.10	72.41	81.16
Total in India .	179.79	482.99	501.21
<i>In England (at Rs. 15 to the £):</i>			
Loans	265.60	366.80	395.36
War Contribution . . .	...	28.90	28.20
Capital value of liabilities undergoing redemption by way of terminable rail- way annuities amounting to (at Rs. 15 to the £).	105.90 (=£70,600,893)	90.14 (=£60,095,487)	88.25 (=£58,836,487)
Total in England .	371.50	485.84	511.81
Total Debt .	551.29 crores.	968.83 crores.	10,13.02 crores.

LEGISLATIVE ASSEMBLY.

Wednesday, 18th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

GRANT OF ANNUAL INCREMENTS TO TEMPORARY MEN IN THE GOVERNMENT OF INDIA SECRETARIAT.

†932. ***Mr. Chaman Lall:** Are the Government aware that temporary men in the Indian Stores Department, and in the office of the Accountant General, Railways, get their usual annual increments? If so, are the Government prepared to grant such increments to temporary men in other offices?

TEMPORARY MEN IN THE CIVIL SECRETARIAT.

†933. ***Mr. Chaman Lall:** Is it a fact that temporary men in the Civil Secretariat get, on confirmation, the benefit of their past temporary service in respect of pay? If so, are the Government prepared to give the same concession to temporary men in other subordinate or attached offices?

CONFIRMATION OF TEMPORARY MEN IN THE GOVERNMENT OF INDIA SECRETARIAT.

†934. ***Mr. Chaman Lall:** Is it a fact that since 1920 the channel of recruitment in the Government of India offices has been the Staff Selection Board? If so, will the Government be pleased to state if those recruited by the Board and having less service have been confirmed in different offices whereas those of the same category having more service are still working as temporary men? If so, why?

TEMPORARY MEN IN THE CIVIL SECRETARIAT.

†935. ***Mr. Chaman Lall:** Are the Government aware that a temporary man who is sent from one office at the termination of his appointment to another office is taken as a juniormost man in spite of his total service, and that it affects the person concerned in point of confirmation? If so, do the Government propose to fix such seniority by total service rendered?

PERMANENT RE-EMPLOYMENT OF TEMPORARY MEN WHOSE APPOINTMENTS WERE ABOLISHED OWING TO RETRENCHMENT.

†936. ***Mr. Chaman Lall:** Is it a fact that permanent men of some offices whose posts were abolished on account of retrenchment were provided for permanently in other offices with the same scale of pay and allowances? If so, do the Government propose to extend this treatment to purely temporary men (not officiating) who were thrown out of employment under similar circumstances and provided for in other offices?

† For Answers to these Questions—see below Question No. 937.

INITIAL PAY OF TEMPORARY MEN CONFIRMED IN THE GOVERNMENT OF
INDIA SECRETARIAT.

†937. ***Mr. Chaman Lall:** Are the Government aware that a temporary man having one year's service gets on confirmation the same initial pay as that which another temporary man gets under similar circumstances having rendered 4 or 5 years' service? If so, will the Government please state the reasons for this differentiation?

The Honourable Sir Alexander Muddiman: With your permission, Sir, I will answer questions 932 to 937 together.

932. Temporary men in the Indian Stores Department and in the office of the Accountant General, Railways, are given annual increments. The whole of the clerical establishment in the Indian Stores Department has been on a temporary basis since the creation of the Department, and the temporary men in the Office of the Accountant General, Railways, are employed on a lower scale of pay than that admissible to the permanent establishment. It is not proposed to extend this concession to temporary men in other offices.

933. Temporary men in the Secretariat do not ordinarily get on confirmation the benefit of their past service in respect of pay; but it was decided in 1920 to allow some concession in this respect to be made in individual cases of hardship. Government are not considering any further extension of concessions.

934. Since 1920 the main channel of recruitment has been the Staff Selection Board. There may have been some cases of the nature referred to by the Honourable Member, but the confirmation of a man is not solely dependent on his seniority or length of temporary service: it depends largely on his abilities, and is purely a matter for departmental decision.

935. The general rule is as stated by the Honourable Member. Government see no reason to make any change.

936. The answer to the first part of the question is in the affirmative. Government do not propose to issue any special rule governing the terms on which temporary men thrown out of employment as a result of retrenchment are re-employed.

937. As stated in the answer to question No. 933, temporary men on confirmation do not ordinarily get the benefit of their past service. Government have never been prepared to place temporary service on the same footing as permanent service or to extend to it the privileges attached to permanent service.



LEGISLATION IN PARLIAMENT TO GIVE EFFECT TO THE RECOMMENDATIONS OF
THE LEE COMMISSION.

Diwan Bahadur M. Ramachandra Rao: Sir, I beg to ask the following questions of which I have given notice to the Honourable the Home Member.

(a) Will the Government be pleased to state whether legislation is proposed to be undertaken in Parliament to give effect to the recommendations made in the report of the Royal Commission on the Public Services?

(b) If the answer to the above is in the affirmative, will the Government be pleased to state whether the Government of India were consulted in the matter of this legislation?

(c) Will the Government be pleased to place the despatch of the Secretary of State on the subject on the table after obtaining his permission if necessary?

(d) Will the Government be pleased to state whether they intend that the proposals for legislation should be published in this country before they are finally adopted by Parliament so that representations may be made in due time to the authorities in Great Britain?

(e) If the answer to the above is in the affirmative, do the Government of India propose to take steps to secure the publication of the Bill in this country as soon as it is introduced in Parliament?

The Honourable Sir Alexander Muddiman: (1) As I explained in answer to Mr. Rangaswami Iyengar's question No. 666 on the 2nd instant, the matters for parliamentary legislation are still a subject of correspondence with the Secretary of State. I am unable to publish that correspondence.

(2) As I informed Diwan Bahadur Ramachandra Rao in reply to a supplementary question on the 2nd instant, the publication of Parliamentary Bills does not rest with me. I have, however, had a copy of the questions put and answers given on this subject on the 2nd instant sent to the Secretary of State, and I shall endeavour to arrange for simultaneous publication of the Bill or at any rate of its most important clauses.

Diwan Bahadur M. Ramachandra Rao: May I ask the Honourable Member when this legislation is likely to be introduced?

The Honourable Sir Alexander Muddiman: I have no definite information on the matter. The last I think we heard was that it might possibly come on early in April.

Diwan Bahadur M. Ramachandra Rao: May I ask the Honourable Member whether we are likely to have any of these proposals before the end of this session?

The Honourable Sir Alexander Muddiman: I should think it is not in the least likely because, as I said, the matter is still under correspondence with the Secretary of State.

Diwan Bahadur M. Ramachandra Rao: May I point out that by the time we meet in September the legislation will have gone through Parliament?

The Honourable Sir Alexander Muddiman: That is quite possible, but I regret I cannot control the course of legislation in Parliament.

Diwan Bahadur M. Ramachandra Rao: May I ask that you may suggest to the Secretary of State that the legislation should be put off till this House has had an opportunity of examining those proposals?

The Honourable Sir Alexander Muddiman: I do not think it will be any use making any such suggestion. As the Honourable Member knows, it is extremely difficult even for Secretaries of State to get the time of Parliament. They must take it when they get it.

Mr. A. Rangaswami Iyengar: May I ask the Honourable Member to communicate the feelings of this House to the Secretary of State?

The Honourable Sir Alexander Muddiman: I shall send a copy of the questions and the answers that I have given.

Mr. A. Rangaswami Iyengar: I presume it will include also the supplementary questions that have been put?

The Honourable Sir Alexander Muddiman: Certainly.

UNSTARRED QUESTIONS AND ANSWERS.

STOPPAGE OF THE ANNUAL INCREMENTS OF CERTAIN PUNJAB POSTAL OFFICIALS.

133. **Mr. Chaman Lal:** (a) Is it a fact that annual increments of the following Punjab postal officials were stopped for the periods noted against them:—

Name and Designation.	Period.
1. Amir Chand, S. P. M., Lachi (Derajat Division)	6 months.
2. Behari Lal, S. P. M., Sadda „ „	1 year.
3. Udhe Bhan, Clerk, Hangu	6 months.
4. Bhim Sain, Clerk, Kobat	2 „
5. Qadir Bakhsh „ „	3 „
6. Abdul Aziz, Postmaster, Campbellpore	3 „

(b) Is it a fact that the punishments detailed in (a) above were ordered to effect all future increments of the said officials?

(c) Will the Government be pleased to state the cumulative effect of stoppage of increments in each case separately?

(d) Are the Government prepared to re-consider all the cases with a view to remit or reduce the punishments?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member's attention is drawn to his starred question No. 1963 which was replied to on the 15th September, 1924.

ARREARS OF PAY OF R. M. S. OFFICIALS OF "D" DIVISION.

134. **Mr. Chaman Lal:** (a) Will the Government be pleased to state reasons for which officiating and temporary services rendered by the R. M. S. officials of 'D' Division could not be accounted for and arrears of pay could not be paid up till now?

(b) Is it a fact that the R. M. S. officials concerned are not responsible for delay in the disbursement of arrears of pay?

(c) Is it a fact that according to the latest orders of the Government the arrears of pay were due to these R. M. S. officials with effect from the year 1921 as in the case of other officials?

(d) Will the Government be pleased to state reasons on the strength of which these R. M. S. officials can be debarred from their dues from the date they were paid to other Postal and R. M. S. officials?

(e) Are the Government prepared to consider the disbursement of the arrears of pay from the date they actually fell due?

Sir Geoffrey Clarke: A reference is invited to the reply given by Mr. H. A. Sams to the Honourable Member's similar question on the 15th September, 1924. Since then certain further claims have been received. Including 16 claims for arrears of pay due in respect of 1924 (not 1921), altogether 21 claims are at present pending final settlement. Steps have already been taken to have them disposed of as soon as possible.

PROMOTION OF POSTAL OFFICIALS IN THE PUNJAB CIRCLE.

135. **Mr. Chaman Lall:** (a) Will the Government be pleased to state separately the number of appointments of Rs. 50 and 60 grade vacant on 23rd September 1920 in the Punjab Postal Circle, which were not filled up before the introduction of the time-scale of pay from the same date?

(b) Will the Government be pleased to state the names of the postal officials who could be promoted to the vacant appointments referred to above?

(c) Will the Government be pleased to state separately the salaries which the officials alluded to in (b) above could draw to-day by virtue of their promotions?

(d) Is it a fact that a Financial Adviser, Posts and Telegraphs, has been pleased to decide in his letter No. 65-P. D., dated the 4th March, 1924, a similar case of Mr. Munshi Ram, clerk, Simla, allowing the official to draw higher pay Rs. 106, with effect from 1st June 1924?

(e) Are the Government prepared to consider similarly the cases of all other postal officials referred to in (b) above who could similarly get promotions had the posts been filled up?

The Honourable Sir Bhupendra Nath Mitra: (a) to (e). Government have no information in respect of the appointments or officials referred to with the exception of Mr. Munshi Ram, whose case was decided on appeal. If any of those officials has any grievance, he is at liberty to appeal in the usual manner.

SUB-POST OFFICES IN THE PUNJAB POSTAL CIRCLE MANNED BY FIVE OR MORE OFFICIALS.

136. **Mr. Chaman Lall:** (a) Will the Government be pleased to state the names of the Sub-Post offices in the Punjab Postal Circle manned by five or more officials?

(b) Will the Government be pleased to state as to which of the offices named in (a) above are of the selection grade?

Sir Geoffrey Clarke: (a) A statement showing the names of the sub-offices in the Punjab Postal Circle manned by five or more officials of the clerical class is placed on the table. It is presumed that the Honourable Member refers to officials of that class.

(b) Offices Nos. 1 to 34 and No. 52 are in charge of Sub-postmasters in the selection grade.

Statement showing the names of Sub-Offices in the Punjab and N. W. F. Circle manned by 5 or more officials of the clerical class.

No	Name of Sub-Office.	Name of Head Office.
1	Ambala city	} Ambala.
2	Kasauli	
3	Golden Temple	} Amritsar.
4	Majith Mandi	
5	Tarntarn	} Delhi.
6	Chaudni Chowk	
7	Tank	} D. I. Khan.
8	Abjhar	
9	Ferozepore City	} Ferozepore.
10	Moga	
11	Wazirabad	} Gujranwala.
12	Gujrat R. S.	
13	Batala	} Gujrat.
14	Dalhousie	
15	Rewari	} Gurdaspur.
16	Bhiwani	
17	Jullundur City	} Gurgaon.
18	Charing Cross	
19	Lahore Cantonment	} Hissar.
20	Naulakha	
21	Jagraon	} Jullundur.
22	Gojra	
23	Jaranwala	} Lahore.
24	Multan City	
25	Landikotal	} Ludhiana.
26	Mardan	
27	Nowshera	} Lyallpur.
28	Peshawar City	
29	Murree	} Multan.
30	Sialkot City	
31	Chaura Maidan	} Peshawar.
32	Chota Simla	
33	Secretariat	} Rawalpindi.
34	Bara Mula	
35	Delhi Sudder Bazar	} Sialkot.
36	Malerkotla	
37	Anarkali	} Simla.
38	Toba Tek Singh	
39	Risalpur	} Srinagar.
40	Sirsa	
41	Okara	} Delhi.
42	Jagadhri	
43	Rupar	} Ludhiana.
44	Kapurthala	
45	Hoshiarpur City	} Lahore.
46	Gujar Khan	
47	Rawalpindi City	} Jhang.
48	Khanewal	
49	Bhatinda	} Peshawar.
50	Gulmurg Season sub-office for 6 months	
51	Haripur	} Hissar.
52	Nathialgali	
		} Montgomery.
		} Ambala.
		} Jullundur.
		} Hoshiarpur.
		} Rawalpindi.
		} Multan.
		} Ferozepur.
		} Srinagar.
		} Abbottabad.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: The following Message has been received from the Secretary of the Council of State:

"In accordance with Rule 36 (1) of the Indian Legislative Rules, I am directed to inform you that the amendments made by the Legislative Assembly in the Bill to consolidate and amend the law to provide for the special protection in respect of civil and revenue litigation of Indian soldiers serving under special conditions, were taken into consideration by the Council of State at their meeting to-day, the 17th February, 1925, and that the Council have agreed to the amendments."

THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Mr. L. Graham: Sir, I present the report of the Select Committee on the Bill further to amend the Code of Civil Procedure, 1908, for certain purposes.

ELECTION OF THE PANEL FOR THE STANDING COMMITTEE ON EMIGRATION.

Mr. J. W. Bhore (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That this Assembly do proceed to elect in the manner described in the Department of Education, Health and Lands Notification No. 114, dated the 7th February 1924, a panel of 16 members from which the members of the Standing Committee to advise on questions relating to emigration in the Department of Education, Health and Lands, will be nominated."

The motion was adopted.

Mr. President: As a result of the decision just made by the House I have to announce that nominations for this Committee will be received in the office of the Assembly up till 12 noon on Saturday, the 21st February, and the election will, if necessary, be held in this Chamber on Tuesday, the 24th February.

THE INDIAN TARIFF (AMENDMENT) BILL.

The Honourable Sir Charles Innes (Commerce Member): I beg to move:

"That the Bill further to amend the Indian Tariff Act, 1894, be referred to a Select Committee consisting of Diwan Bahadur M. Ramachandra Rao, Mr. K. C. Neogy, Mr. W. S. J. Willson, Sir Purshotamdas Thakurdas, Mr. N. C. Kelkar, Mr. R. K. Shanmukham Chetty, Sardar Gulab Singh, Maulvi Abul Kasem, Mr. M. C. Naidu, and myself with instructions to report within three weeks; and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be four."

I am very sorry that owing to causes which were entirely beyond my control I was unable to be present to introduce this Bill a week ago. With your permission, Sir, I will give to-day just a few words of explanation regarding the Bill. The operative part of the Bill, as the House will see, is contained in the Schedule which amends our statutory Tariff Schedule. Most of the items in the Schedule to the Bill are more or less of a formal nature. The House is no doubt aware that under section 23

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of the Sea Customs Act the Government have power to reduce the duties on articles by a notification in the Gazette. That is a very convenient power to the trade for obviously it would be inconvenient if we could not make an alteration in the way of reduction in petty cases without coming in every case to this House. But it is obviously right and proper that when we do take executive action of that kind by notification we should come from time to time to this House and ask for their ratification of what we have done. That, Sir, accounts for the greater part of the items in the Schedule. There is one other item to which I might perhaps draw attention and that is the item relating to iron or steel discs and circles. That, Sir, is a mistake which we made when we introduced the Steel (Protection) Bill last June. As the Bill was drafted a steel sheet coming in pays a protective duty but a disc or circle cut from that same sheet pays a duty of 10 per cent. *ad valorem*. That is obviously a mistake, and we are taking this opportunity of suggesting to the House that it should be remedied. But the really important part of this Bill lies in three items, namely, those relating to sugar, cigarettes and silk mixtures, particularly the two items relating to sugar and cigarettes. Those are proposals which do not affect the revenue of 1925-26 materially but they have an important effect on trade.

I should first like to explain this sugar problem. I took it up over two years ago, my attention having been directed to the grave inconvenience and embarrassment caused to our finances by the extraordinary fluctuations in our revenue from the import duty upon sugar. In July 1923, therefore, I directed the Commerce Department to examine the suggestion thrown out by the Fiscal Commission, namely, that the tariff valuation on sugar should be based not on the figures of the preceding 12 months but upon the market values of the preceding three years. I took up the examination of that suggestion in order to see whether, if we carried out that suggestion, it would reduce these fluctuations. These fluctuations are due to two causes. One of course is fluctuations in imports. This is a matter over which we have no control at all. The other is due to fluctuations in prices which naturally affect our *ad valorem* duties. Our duty at present is 25 per cent. *ad valorem*; but we do not assess this duty upon every individual shipment of sugar. We have a long-standing arrangement with the sugar trade by which the *ad valorem* duty is assessed upon what is called a tariff valuation, and by this arrangement with the sugar trade the tariff valuation is at present based upon the average values of the 12 months ending on the preceding 30th September. It comes into force on the 1st January and is based on the average market value of sugar during the 12 months ending the previous 30th September. Now I should just like to read to the House the fluctuations which have taken place in these tariff values. In 1921 the tariff value of sugar was Rs. 32-4-0 per cwt., in 1922 it was Rs. 26-4-0 per cwt., in 1923 it was Rs. 16-4-0 per cwt., a drop of Rs. 10, in 1924 it rose to Rs. 17-12-0 and this year it is Rs. 17-8-0. Now, as I have said, our *ad valorem* duty is 25 per cent. Therefore every difference of a rupee in the tariff valuation makes a difference of 4 annas in the rate of our duty. Our average import of sugar amounts to something like 450,000 tons a year, and a variation of 4 annas per cwt. in the rate of duty means a variation in our revenue of 22½ lakhs of rupees. We have had in recent years drops of Rs. 10. Rs. 5 and so on and you can see how inevitable it is that there should be these wide fluctuations in our revenue. The reve-

nue for instance in 1921-22 was 6½ crores, in 1922-23 it was 4½ crores, a drop of 2 crores, in 1923-24 it was 332 lakhs, a drop of a crore again. As I have said, this question was examined by the Commerce Department and by the Director General of Commercial Intelligence. They examined very carefully the proposal that instead of basing our tariff valuation on the figures for one year we should base it on the figures for three years. We found that it would make some improvement but only a small improvement and that even in spite of the alteration of the system we should still have these very big variations in the tariff valuation. For instance, there would have been a difference of Rs. 2-8-0 a cwt. between 1917 and 1918, a difference of Rs. 5 a cwt. between 1920 and 1921, a difference of Rs. 3-12-0 a cwt. between 1921 and 1922 and a difference of Rs. 5 a cwt. between 1923 and 1924. We were driven, therefore, to the conclusion that the only way of getting rid of these enormous fluctuations in our revenue would be to adopt boldly a specific duty. That was the definite recommendation of the Director General of Commercial Intelligence, and we arrived at that decision as far back as July last. I may say that no doubt owing to these fluctuations in revenue practically every country in the world has been driven to adopt a specific duty on sugar in lieu of an *ad valorem* one. As far as we can make out, the duty on sugar is specific in every country in the world except Cyprus, Sudan, Palestine, Iraq, Siam, Java and Paraguay. We decided, therefore, that the best plan would be more or less to stereotype the existing rates of duty. The rate of duty has averaged about Rs. 4-6-0 per cwt. in the last three years. In 1922 it was Rs. 6-9-0 a cwt., in 1923 it was Rs. 4-1-0 a cwt., in 1924 it was Rs. 4-7-0 a cwt., and the present duty is Rs. 4-6-0 a cwt. We decided, therefore, that the best plan would be more or less to stereotype these rates and we are proposing a rate of Rs. 4-8-0 for Java 28 Dutch Standard and over and a rate of Rs. 4 for sugar between 22 and 28 Dutch Standard. Since we arrived at that decision, which, as I said, was in July last, there has been a further development in the situation which makes it more necessary than ever that the House should consider this proposal. Since July, so to speak, the bottom has dropped out of the sugar market. There was a very large crop in Cuba, and beet sugar has again come into the market. The result is that the prices of sugar have dropped. In the first three months of the current year—the current year for the purpose of tariff valuation, that is to say in October, November and December—the average price of sugar coming into India was about Rs. 15 a cwt. The House will realize what it would mean to us, supposing for our tariff valuation in 1926 we should have to adopt Rs. 15 a cwt. It would mean that our duty on sugar would drop from Rs. 4-6-0 a cwt. to Rs. 3-12-0; that is to say, we should lose 10 annas a cwt. Now, as I have told you, every drop of 4 annas in the duty means a loss of 22½ lakhs of revenue to us. A drop therefore of 10 annas in the duty in 1926 would mean a loss of revenue of between 50 and 60 lakhs of rupees. As far as we can see, there is no reason why we should face that loss. The present rate of duty on sugar, namely, Rs. 4-6-0 has, as I say, been in force on an average for the last three years. It has not checked imports in the very least. The consumer seems likely next year to get the advantage of the drop in price, and I think it would be a mistake for this House to give up the revenue which the maintenance of our present system of tariff valuation combined with an *ad valorem* rate of 25 per cent. would involve. I may also mention that if we did adhere

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to our *ad valorem* rate we should undoubtedly get complaints from people who are trying to grow and make and refine sugar in this country. I do not want to make too much of that argument because naturally if we want to have a protective duty it ought to be examined first by the Tariff Board. But in regard to that the Sugar Bureau of Pusa has drawn our attention to the fact that from the point of view of the sugar producer in India what you want is a specific duty and not an *ad valorem* duty. The disadvantage of an *ad valorem* duty is that as prices drop the duty drops too: as prices rise the duty rises too, and that hits the consumer. A specific duty besides stabilising our revenue has that advantage. Now, Sir, I have explained as fully as I can the little problem which we have got before us as regards sugar.

I now turn to cigarettes which I think is the only other subject with which I need take up the time of the House. This again is purely an administrative and a trade problem. The duty on cigarettes at the present time is 75 per cent. *ad valorem*, a very high rate of duty. Now, our experience is that this *ad valorem* rate of 75 per cent. is working unfairly to the trade. We have two systems of assessing goods for duty. One is what is known as assessing goods to duty on the local wholesale market value. You can apply that in the case of cigarettes to known brands for we know what the local wholesale market value of known brands is. But we cannot apply that system to unknown brands or brands which are just beginning to force their way into the Indian market, because they have no local wholesale market value, and therefore we have to resort to our alternative system of assessment, namely, basing the assessment on invoice values. Our experience is that invoice values are very often understated. The remedy for understatement of invoice values which is provided for us by the Sea Customs Act is that we may take over the goods at the invoice value and sell them ourselves. But that remedy is entirely illusory in the case of an article like cigarettes. Cigarettes are a peculiarly perishable article and the only result of our taking over a large consignment of unknown cigarettes and trying to sell them ourselves would be that the country would lose a very large amount of money. And so, as compared with known brands, unknown brands get in at a lower rate of duty than they should. That creates soreness in the trade and has been the subject of representations to us by the trade. That is why we are making this proposal to have one flat specific rate of duty on cigarettes. This question was brought before us in this House about two or three years ago in the course of debate. In the course of debate I naturally took what would seem to be the obvious objection, namely, that if you have one flat rate of duty for cigarettes obviously you let in the higher priced cigarettes at possibly too low a rate and you charge the cheap smoke at too high a rate. That seems to be the obvious objection to this proposal. But we looked into the matter further. I have the figures here. In the six months ending October 1924, 626,000 pounds of cigarettes were imported into Calcutta and Bombay. Of these 626,000 pounds only 5½ per cent. were cigarettes valued at less than Rs. 4 a pound, nearly 83 per cent. were valued at between Rs. 4 and Rs. 5 a pound, and only 11 per cent. were valued at more than Rs. 5 a pound. Thus, 90 per cent. of the cigarettes that came into Calcutta and Bombay in those six months are valued at less than Rs. 5 a pound. Of that 90 per cent. 95 per cent. according to these statistics were valued at between Rs. 4 and Rs. 5 a

pound. And thus 95 per cent. of the lower valued cigarettes have paid a duty of 17 lakhs of rupees on an import of 575,000 lbs. That is to say, they paid an actual rate of duty of Rs. 3-5-0 a pound. Now 2½ lbs. of cigarettes equal 1,000 cigarettes on an average, and therefore the duty which they actually paid at Rs. 3-5-0 a lb. would amount to Rs. 8-4-6 a thousand. Therefore we thought that without doing very much harm to anyone we could impose this flat specific rate of Rs. 8 a thousand. I may say that many other countries have had to adopt the same principle. They do not attempt to distinguish between cigarette and cigarette. They have one uniform rate. For instance, the United Kingdom has a flat rate of 12s. 7d. a lb., Australia has a flat rate of 11s. 6d. a lb., the Argentine has a flat rate of 2 dollars a kilo; Belgium has a flat rate of 1,200 frs. per 100 kilos, and so on. We think therefore that our proposal is the best, but we are quite prepared to discuss the whole thing with the Select Committee, and I may say that we do not think that this proposal will have any serious effect on the revenue.

There is one other thing that I wish to say before I sit down., I understand that on the last occasion when this Bill was introduced a suggestion was made that we were trying to rush it. I hope that the motion I am moving to-day will remove that suspicion from the minds of the House. I am not trying to rush the proposal. I am proposing that it should be referred to a Select Committee. I am further proposing that that Select Committee should be required to report within three weeks. I am definitely making that proposal in order that anybody affected by these proposals should have time to put in their representations and then the whole question will be discussed by a committee of this House. I may say that, though this Bill was introduced a week ago, I cannot find from the public press that it has caused a ripple of excitement anywhere. It is a fact that we have had some representations about this duty upon cigarettes, but, as I say, we have practically an open mind about that. We are quite prepared to discuss the whole question with this Select Committee. I hope therefore that the House will agree to my proposal that this Bill should be referred to a Select Committee in order that every item of it may be thoroughly sifted and examined before the proposals in the Bill are discussed in detail on the floor of this House. Sir, I move my motion.

Mr. President: Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1894, be referred to a Select Committee consisting of Diwan Bahadur M. Ramachandra Rao, Mr. K. C. Neogy, Mr. W. S. J. Willson, Sir Purshotamdas Thakurdas, Mr. N. C. Kelkar, Mr. R. K. Shanmukham Chetty, Sardar Gulab Singh, Maulvi Abul Kasem, Mr. M. C. Naidu and the Mover, with instructions to report within three weeks and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be four."

Mr. W. S. J. Willson (Associated Chambers of Commerce: Nominated Non-Official): Sir, in the absence of the Honourable Member for Commerce the other day, I took exception to what I understood was the intention of Government, to introduce this Bill and propose that it should be referred to a Select Committee forthwith. I now desire, Sir, to renew that protest. The Honourable Member for Commerce knows I believe quite well that it is the strong opinion of commercial bodies in India that Bills affecting the principle of the tariffs should be circulated for the expression of public opinion before being passed in detail. I am not asking, I would not ask, that any Bill raising or reducing a duty should be so referred, because obviously in such cases prompt action is necessary to avoid speculation and interference. At this stage I do not propose to follow Sir Charles Innes

[Mr. W. S. J. Willson.]

into the actual merits of the Bill itself. I am well aware of the Report of the Fiscal Commission, and especially paragraphs 269 and 270 in which they have much to say on the question of specific duties *versus ad valorem*, and it may be that sugar, as Sir Charles Innes has endeavoured to show, is essentially an article in which a specific duty may be the more advisable, but, Sir, he referred to the long-standing arrangement with the sugar trade under which the rates of value for the ensuing twelve months are fixed, and I am sorry that in his desire to change the system he has not thought fit to refer to the sugar trade—at least he has not said that he had done so—before making a change of this kind. I think a long-standing arrangement with a trade should be honoured by making a reference to it in a change of this kind, especially when, as he told us, the decision to make this change was come to so far back as last July. It is perfectly true that Government have the power to reduce the duties, but this is not either a reduction or an increase. It is an entire change of system. The Chambers of Commerce have always urged that any Bill affecting the principle of taxation or tariffs should be circulated, and they are still emphatically of that opinion. I might, Sir, have gone so far as to move an amendment that this Bill be circulated for the purpose of eliciting public opinion. But I have not done so, partly because the Honourable Member has been good enough to give us a certain amount of time in not wanting us to report upon the Bill except within three weeks, but I might point out that had he taken the opportunity of introducing this Bill in January, at the opening of the session, we should have had some 2½ months in which to examine the details of it, instead of having to do it within three weeks, which is really insufficient. Sugar is imported at certainly all the principal ports in India and they are all interested in this change. They may all have views which they wish to express, and the time at our disposal for collecting these opinions and putting them before the House for its guidance has been quite insufficient. The Honourable Member said that, although the Bill had been before the House about a week, he had not seen anything in the public press opposing its conditions. I have merely to say with reference to that, that it is not the practice of commercial bodies to immediately rush into print. They first of all require to go into a measure themselves, and that takes some time, so that I do not think that the fact that nothing has appeared in the public press is in any sense an argument that it has received general acceptance. In view of the remarks which have fallen from the Honourable Member and the reasonable attitude he has taken up in regard to the three weeks, I hardly feel inclined to go so far as to oppose the reference to a Select Committee, but should that be the opinion of the House that it should be so referred, I shall undoubtedly vote that way myself.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): *Sir, as far as I am concerned, I have no objection to this Bill being referred to a Select Committee. But with regard to the provisions in the Bill, particularly with regard to cigarettes, I must confess that I was not satisfied with the statement made by Sir Charles Innes. Sir, he took us into some complicated figures which it is not possible to scrutinise carefully or to follow at this distance between him and me. But whatever may be his mathematics, right or wrong, I will place before him my elementary

* Not corrected by the Honourable Member.

mathematics. Sir, I hope he will correct me if I am wrong. I, say a well-to-do man, wish to import a brand of first class luxurious cigarettes, and I am prepared to pay Rs. 6 a hundred. Sir, according to the present tariff, 75 per cent. on that will come to Rs. 4-8-0. A poor man who cannot afford the luxury, perhaps Sir Charles himself, indulges in imported cigarettes for which he can afford to pay only Rs. 3. 75 per cent. on that will work out at Rs. 2½. But according to the proposed tariff the poor man who gets his hundred cigarettes will have to pay 12 annas and so would the luxurious man, who imports his cigarettes valued at Rs. 6 a hundred, have to pay 12 annas a hundred. Now, Sir, this is obvious I submit—and I think Sir Charles Innes will agree with me as we are both addicted to this evil habit, to this weed which does soothe you and console you after the day's work—that the poor labourer needs his cheap cigarettes as much as we do, and I think it is not fair to make his burden greater, having regard to his earning capacity. I certainly therefore think, Sir, that it will hit not only the poor man but also the trade which deals in these cheap cigarettes. and I am not at present satisfied with the details. I therefore ask the Honourable Member to take some care to protect these two classes, particularly the poor man.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, the two previous speakers have referred to certain aspects of the question that is before the House. I wish, Sir, to draw the attention of the House to a very important question which underlies the whole proposition, and that is it appears now to be proposed by the Commerce Member, certainly, I take it, with the consent of the Honourable the Finance Member, to change the mode of tariff as far as sugar and cigarettes are concerned from the *ad valorem* basis to the specific basis. When the values were high, the *ad valorem* basis brought in a good deal of revenue. When values are falling the same amount of revenue is aimed at by change of the basis for the duty. The change may be very attractive even to the Honourable the Finance Member when the value of sugar goes down to Rs. 15: but when the value goes up to Rs. 20 or Rs. 22, I really wonder if the Honourable the Commerce Member will again ask this House to change the basis to the *ad valorem* one. I feel, Sir, that that is a question where no quotations from precedents in foreign countries should appeal to us. I was looking forward to the Honourable the Commerce Member making out a very much stronger case than quoting some other foreign countries where the basis of valuation had been changed for reasons of which we are not quite aware. I feel that in the Select Committee considerable discussion will have to take place on this aspect of the change, for I thought that whenever tariff duties were levied on an *ad valorem* basis the one thing that was always urged in favour of it was that if values fell the consumer at this end got the benefit of the fall in values. Here now you fix your duty at Rs. 4-8-0, I think, in the case of sugar; whether the value is Rs. 12 or Rs. 20 the consumer still pays Rs. 4-8-0 as duty on the imported article. I feel that considerable discussion will be necessary and the Commerce Member will have to advance many other grounds besides the one of mere convenience, for after all, with the convenience of the Customs Department you have also got to look at not only the convenience but also the pocket of the consumer at this end. I feel, Sir, therefore that whilst one would not like to obstruct the swift passage of this simple-looking measure at this stage, it is quite possible that, unless some very strong grounds are urged for the change of basis

[Sir Purshotamdas Thakurdas.]

of tariff assessment, this measure may be delayed considerably more than the Honourable the Commerce Member himself expects. The other two items referred to in the Statement of Objects and Reasons as No. 4 and No. 5 appear to be more or less formal ones and I take it therefore that the Commerce Member did not deal with those two; but where a question of change of basis for valuation purposes, and therefore for taxation purposes, is concerned, I expected that the Commerce Member—if he does not mind my saying so—had much stronger reasons than this, namely, that the income would fluctuate. If the income fluctuates with lower rates, the income also fluctuates with higher rates. That I thought was the strongest ground in favour of an *ad valorem* valuation. However, as the Honourable the Commerce Member is prepared to give us some time before the Select Committee submit their report, and as, I take it, that he would be prepared to discuss this question from this particular point of view in the Select Committee, I do not wish, Sir, at this stage to say anything against the motion before the House.

Maulvi Mohammad Shafee (Tirhut Division: Muhammadan): Sir, I move for the addition of two important names to the Select Committee, namely, Mr. Jamnadas Mehta and Mr. Rangaswami Iyengar.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): May I inquire, Sir, on this question of the Bill going before a Select Committee, whether having allowed the motion for a reference to a Select Committee, it is open to us again to discuss the question whether we shall accept the *ad valorem* principle or the specific duty principle and whether we would not be considered to have committed ourselves to the specific duty principle by reference to a Select Committee? If it is not so, we wish that this matter should stand over so that the principle might be decided after further discussion.

Mr. President: In the sense in which the Honourable Member uses the words, the principle would be open to discussion by the Select Committee and it will be open to the Select Committee to change the character of the Bill in that particular aspect. Referring the Bill to a Select Committee does commit the House to the principle, but I should not care to say what precisely is the principle of this Bill.

Mr. A. Rangaswami Iyengar: I should like to know what the Honourable the Commerce Member has to say on this point.

The Honourable Sir Charles Innes: I would at once say that the House is not committed to accepting these particular proposals.

Sir Campbell Rhodes (Bengal: European): Sir, I had not intended to intervene in this debate, but as Sir Purshotamdas Thakurdas has raised the question of the general principle involved, I should like to say a few words as a member of the Indian Fiscal Commission. We did examine this question of *ad valorem* and specific duties very carefully and we wrote a Chapter on it, which, I hope, will have the serious consideration of the members of the Select Committee. The suggestions that were there propounded have been proved to be valuable by the experience of the last couple of years. High prices, high revenue duties, have brought their own dangers with them, as we forecasted. There has been the danger of false invoices produced at home; there have been serious mis-valuations and there

have been imposed on the appraisers and subordinates in the Custom House very grave temptations. It is now well worth the importers' while to spend a great deal of money in order to get a low valuation. Values in certain classes of goods are very difficult to arrive at, and therefore the Fiscal Commission advocated a large extension of the basis of specific valuations. Sir Purshotamdas Thakurdas has looked at the question from the point of view of the consumer. From that point of view, Sir, I submit that it is in his interest to have steady prices, and specific duties, as Sir Charles Innes has pointed out, make him pay relatively more in duty when prices are low and relatively less when prices are high. But I think I can appeal to Sir Purshotamdas in another way. The Fiscal Commission pointed out that, in so far as these duties are protective, the advantage is distinctly in favour of specific duties. The duties give greater protection when prices are low and less protection when prices are high. Now, it is just when prices are low that the danger of dumping comes in and that is the time when local industries require the greatest protection. When prices are high that protection is not so necessary. So, I think, Sir, that there is a great deal to be said for specific duties in addition to the points that have been raised by Sir Charles Innes. There is one other point in connection with them, namely, it is a great advantage to the merchant to know what duty he is going to pay. Take the piece-goods trader. He sells goods in the bazaar sometimes eight months ahead of the time when the goods will arrive. He does not pay his duty on the price he paid to the Lancashire manufacturer, but on the bazaar valuation at the time the goods arrive and he therefore has to calculate what the duty will be eight months hence and naturally he has to be on the safe side. Therefore the consumer must inevitably suffer. I merely wish, as I shall not myself be on the Select Committee, to draw the attention of that Committee to these points and ask them to read up in the report of the Indian Fiscal Commission the Chapter on specific duties.

Mr. President: I understand the Honourable Member (Maulvi Mohammad Shafee) moved for the inclusion of two names on the Select Committee, Mr. Rangaswami Aiyangar and Mr. Jamnadas Mehta.

Mr. W. S. J. Willson: May I, Sir, move an amendment?

Mr. President: The Honourable Member has already spoken.

Mr. W. S. J. Willson: But I have not yet moved my amendment.

Mr. President: The Honourable Member has exhausted his opportunity.

Amendment moved:

"That the names of Mr. Rangaswami Aiyangar and Mr. Jamnadas Mehta be added to the Committee."

The motion was adopted.

Sardar V. N. Mutalik (Gujarat and Deccan Sardars and Inamdars: Landholders): Sir, when I read this Bill, I was rather in doubt,—as perhaps the Government themselves were in doubt,—whether these two items, namely, sugar and cigarettes, should have been in the hands of the Honourable the Commerce Member or the Honourable the Finance Member. In fact, this is an attempt, Sir, to increase the duties on sugar and also perhaps on cigarettes because I find that the prices of sugar are falling and the Honourable the Finance Member is perhaps not quite sure that the Finance Bill will have a smooth sailing in this House and therefore he has

[Sardar V. N. Mutalik.]

made an attempt through the Commerce Member to justify an increase of duty for this item. So far as the specific duties on sugar are concerned, I think we had better have at this time the original arrangement, namely, *ad valorem* duties. Sir Campbell Rhodes gave us very good quotations from the Fiscal Commission's report for having specific duties at this stage. But I suppose the report of the Commission was before the Government and the Government never found it advisable to adopt the recommendations made therein up till now. Why is it now, when the prices of sugar are falling, that the good points of that report are being brought forward which had not been touched upon till now?

Sir Campbell Rhodes: Knowledge comes but wisdom lingers!

Sardar V. N. Mutalik: Only yesterday we were saying that the poor taxpayers have been over-taxed and that it is but right that they should have some additional relief. If we are now trying only to increase the burden of the tax-payer in an indirect way or by an indirect method, I think it is but right that we should stop such an attempt. I hope, Sir, that the Select Committee will consider this aspect of the question both with regard to cigarettes, as pointed out by Mr. Jinnah, and sugar.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muham-madan): Sir, I beg to move that the words " with instructions to report within three weeks " be deleted from this motion. I take it, Sir, that it is the general sense of the House that the Select Committee should not be fettered in their discretion to consult commercial opinion and it may be that they may take a little more time. I, therefore, move that these words be omitted.

Mr. President: Amendment moved:

" That the words ' with instructions to report within three weeks ' be omitted."

The Honourable Sir Charles Innes: Sir, as Sir Hari Singh Gour well knows, the effect of that amendment, if carried, will be just the same as if Mr. Willson had moved an amendment that the Bill be circulated. The effect of this amendment, if carried, if I remember the rules aright, would be that the Select Committee would not be allowed under the rules to report within three months. That brings me, Sir, to Mr. Willson's point, namely, that a Bill of this kind should be circulated to commercial bodies. I should like to join issue at once with Mr. Willson. This is a Bill which affects the sugar trade as well as the cigarette trade. Both these aspects of the Bill will be placed before the Select Committee and this House, and I say, that the sooner the House comes to a decision on these points the better. Let them turn down my proposals if they consider them to be wrong. But, Sir, I appeal very strongly to this House that they should not allow a Bill of this kind which affects trade materially to go wandering about the country till the September session. The trade in these two articles will be kept in a state of jump and disorganisation the whole time. It is for this reason that I hope that the House will not accept this insidious amendment moved by Sir Hari Singh Gour at the request of my friend Mr. Willson.

I now come to the remarks made by Sardar V. N. Mutalik. I think, Sir, that the Honourable Member was a little . . .

Mr. President: We are only discussing now the limitation to three weeks.

Sir Purshotamdas Thakurdas: I am inclined, Sir, to agree with the Honourable Commerce Member that nothing will be gained by postponing this matter until a reference has been made to commercial bodies. It would be for the Select Committee to examine the question from all points of view and it will be for this House to approve in principle the change which it is sought now to make.

Mr. President: The question is:

"That the words 'with instructions to report within three weeks' be omitted."

The motion was negatived.

Mr. President: The question is:

"That the Bill further to amend the Indian Tariff Act, 1894, be referred to a Select Committee consisting of Diwan Bahadur M. Ramachandra Rao, Mr. K. C. Neogy, Mr. W. S. J. Willson, Sir Purshotamdas Thakurdas, Mr. N. C. Kelkar, Mr. R. K. Shanmukham Chetty, Sardar Gulab Singh, Maulvi Abul Kasem, Mr. M. C. Naidu, Mr. Rangaswami Iyenger, Mr. Jannadas M. Mehta and the Mover, with instructions to report within three weeks and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be four."

The motion was adopted.

THE LEGISLATIVE ASSEMBLY (PRESIDENT'S SALARY) BILL—*contd.*

Mr. L. Graham (Secretary, Legislative Department): Sir, I rise to move:

"That the Bill to determine the salary of the President of the Legislative Assembly, as amended, be passed."

This Bill was so recently before the House that on this motion I think it unnecessary for me to make any remarks. The remarks which I shall have to make later will be on the amendment which I shall move when the motion is before the House.

Mr. President: Motion moved:

"That the Bill to determine the salary of the President of the Legislative Assembly, as amended, be passed."

Mr. L. Graham: Honourable Members will remember that at the conclusion of the proceedings a week ago, the House accepted the amendment moved by my Honourable friend Khan Bahadur Wali Mohammad Hussanally to add a proviso to clause 2 of the Bill. The amendment, as Honourable Members will remember, was opposed from this side of the House on the ground that it did not effect its intention and it was accepted by the House subject to the condition that it should be examined and that, if necessary, at this stage a formal amendment should be moved to correct the drafting. Sir, the amendment is now before the House and I shall move it for that purpose. I should like to say, Sir, that in preparing this

[Mr. L. Graham.]

amendment I have had the very valuable assistance, advice and criticism of Members representing the various parties in this House. The general feeling which underlay the debate on this amendment was that it should be made quite clear that the President of the Assembly in accepting office would bind himself not to accept any sort of employment involving remuneration or to practise any profession or to engage in trade. The amendment in the form in which it was put before the Assembly was in the form of a proviso to clause 2 and that step, I think, Sir, was certainly faulty. What this House is seeking to effect is not that the drawing of Rs. 4,000 a month by the President should depend upon the devotion of his time to the duties of his office, because that would involve the Accountant-General in the task of having to decide whether the President was devoting all his time to his duties or not. What the House wanted to lay down was the principle that the President should devote all his time to the duties of his office. At the same time he should not be excluded from undertaking duties of an honorary nature such as have been so efficiently undertaken by you, Sir. What they desired to effect

12 Noon. was that he should undertake nothing which might possibly raise a suspicion of impartiality, and the amendment which I have brought before the House, and which I shall now read, is intended to give that effect to the amendment proposed by my Honourable friend, that is to say to give his amendment the effect which the House really desires it to have. The amendment which I move is as follows:

"That the proviso to clause 2 be omitted, that clause 2 be re-numbered as sub-clause (1) of clause 2, and below sub-clause (1) of the said clause there be added the following sub-clause, namely:

- (2) The elected President of the Legislative Assembly shall not during his tenure of that office practise any profession or engage in any trade or undertake for remuneration any employment other than his duties as President of the Legislative Assembly."

Sir, I move that amendment.

Sir Campbell Rhodes (Bengal: European): Sir, I have no quarrel with the wording of this clause, but I should like to ask the Honourable Mover whether the phrase "undertake for remuneration any employment" includes directorships. Some people regard directorships not as employment, but as a very pleasant mode of relaxation, and I merely wish to ask the question in order that it may be on the records of the House.

Mr. L. Graham: Sir, I am only in a position to give my own view that a directorship is an employment for remuneration.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural):* May I say I am not exactly inclined to take the view the Honourable Mr. Graham took with regard to treating directorships as employment for remuneration. On the other hand, I am not prepared to agree with my friend Sir Campbell Rhodes that they are a pleasant pastime. But what is important in this case is that we should have a clear definition of what is employment for remuneration, and therefore I should like that the House should clear up this matter in the

* Not corrected by the Honourable Member.

interests of the position and the work of our future Presidents. It is not clear whether a man who engages in trade as a shareholder of a concern and takes part in the business of that concern as a shareholder would come within this clause. Therefore, so far as I am concerned, it seems to me, Sir, that the position of the President and the duties we expect of him do not necessarily conflict with his being a director of any joint stock company. It is not a case in which we expect that his duties and responsibilities might have something to do with the business which he has got to deal with as a director. He is President, and what we want from him is full-time employment in the duties of his office, and we want to guarantee his impartiality; and the sole question is whether as a shareholder or director of a joint stock company that impartiality would be affected, or whether his full-time occupation in that duty would be interfered with. Therefore, Sir, I should like the House to consider, as an amendment, the proposition to add at the end of the word "employment", the words "otherwise than as a shareholder or director of a joint stock company."

Mr. President: Amendment moved:

"After the word 'employment' to insert the words 'otherwise than as a shareholder or director of a joint stock company'."

I observe in the form the Honourable Member has handed to me, the words following his amendment have been struck out. Does he mean them to be omitted?

The question is that that amendment be made.

The Honourable Sir Alexander Muddiman (Home Member): Sir, on the question of a shareholder I think the House will find no difficulty in coming to the conclusion that the words of the draft do not prohibit the holding of shares in a joint stock company. I think that is clear. On the question of the director, I think the position is also equally clear. I suggest to the House that a man who is engaged as a director of a joint stock company is in fact, or should be, carrying on very important duties. The only possible ground to my mind for accepting an amendment on these lines would be that he was a "guinea pig director." I am quite sure Members of this House would not desire their President to be a guinea pig director. If the House takes the line, and it has taken the line, that it is necessary to restrict by statutory provision the work that may be taken up by its President, it is certainly right that a provision should be made specifying directorships as a form of employment which should not be taken up by any one while he is actually in office as President of this House. In my judgment the draft before the House does give effect to that.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban):* Sir, first of all I would be entitled to object to this amendment being moved on the ground that no proper notice has been given. Also I object to it on the merits. On the merits, who has ever heard of a shareholder being employed for remuneration otherwise than as a shareholder? On the face of it it is an absurd amendment. We are dealing with an employment; that is to say, the President is not to engage in any trade or to employ himself for a remuneration. Then you want an amendment "otherwise

* Not corrected by the Honourable Member.

[Mr. M. A. Jinnah.]

than as a shareholder." Who ever heard of a shareholder being employed? But besides the absurdity of the phraseology, I strongly object to it because, Sir, it is obvious, any elementary book on law will tell you, that if you are a shareholder, you are not employed in any company for a remuneration. Therefore really it is unnecessary.

Then with regard to the director, I certainly, on the merits, object to our President being a director of half a dozen, or a dozen companies, or even one, and I will not have it. Where are you going to draw the line? Therefore, Sir, first of all I say that proper notice ought to have been given of this amendment, and I ask you to rule it out. If you do not, then I object to it on the merits.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban): Sir, I am very thankful to my friend Mr. Jinnah for the lecture he has just given on the elementary principles of law, but if he had only considered all the words of the proposed amendment of the Honourable Mr. Graham and not confined his attention merely to the words "any employment for remuneration" he would have seen that there are words there which do cover a shareholder, who even less than an elementary knowledge of law would tell him does take part in the trade in which he takes a share. I understand the intention of the Mover of the amendment to be that the words "other than as a shareholder", should come immediately after the word "trade"—i.e., "engaged in any trade other than as a shareholder"; and I do not know of any principle of law, elementary or otherwise, by which it can be said that a shareholder who holds a share in a commercial concern does not engage in trade.

Then as to the remarks of my Honourable friend about our President not accepting the office of director in any company, whether it be one or half a dozen companies, I agree, but it should be made clear. In my opinion a shareholder who has shares in a joint stock company, or for the matter of that even in a private concern, does engage in the trade of that company or concern to the extent of his share.

I would put my Honourable friend's amendment in the form of an exception to make it quite clear. Instead of putting the words "otherwise than as a shareholder" in the clause itself I would suggest that after the amendment of my Honourable friend Mr. Graham an exception be inserted that a shareholder in a joint stock company (I would confine it to a joint stock company) shall not be deemed to engage in a trade for the purposes of this section.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I wish my Honourable friend Pandit Motilal Nehru had given timely notice of his extraordinary amendment. As for the elementary knowledge of law, I do not know, Sir: I would rather go wrong with Mr. Jinnah than be right with my friend Pandit Motilal Nehru; and as for the language, I have still to understand what my learned friend really means. First of all he supported an amendment which, with due respect to him, is utter nonsense. That amendment ran—"or undertake for remuneration any employment other than his duties as President of the Legislative Assembly otherwise than as a shareholder".

Pandit Motilal Nehru: No, that is wrong; that was not the amendment.

Sir Hari Singh Gour: That is the amendment which was first moved. Then my learned friend saw that that amendment was meaningless and now he comes forward with an amendment which, with due respect to him, is even more meaningless. He says a shareholder shall not be deemed to be engaged in trade. But who ever thought, Sir, that a shareholder anywhere is deemed to be engaged in trade? A shareholder is not a trader and that we know as a matter of fact.

Pandit Motilal Nehru: Is it a matter of fact or a matter of law—that a shareholder is not concerned in the trade in which he has a share?

Sir Hari Singh Gour: My Honourable friend has asked me a question. I will reply to him. It is both matter of fact and matter of law.

Pandit Motilal Nehru: Then it is as mixed up as my friend.

Sir Hari Singh Gour: Now, as regards the matter of directorship, I agree with the Honourable the Home Member that it would be *infra dig* for the President of the Legislative Assembly to engage as a director, may be a managing director or may be one of the board of directors, for remuneration, and I therefore submit that the exception that is proposed is not an exception which this House should accept, and I object to any amendment, either moved by my Honourable friend Pandit Motilal Nehru or by his lieutenant, on the ground that no timely notice has been given to us by either of them.

Mr. B. Venkatapatiraju (Ganjam *cum* Vizagapatam: Non-Muham-madan): Sir, I take exception to the word used by Sir Hari Singh Gour who spoke of Pandit Motilal Nehru's amendment as "nonsense", because the other day when the Honourable Sir Basil Blackett used that word you, Sir, objected that it should not be used; and I expect Sir Hari Singh Gour to withdraw that word "nonsense" which he has used with reference to the Leader of this House—Pandit Motilal Nehru.

Mr. W. S. J. Willson (Associated Chambers of Commerce: Nominated Non-official): Sir, with all these lawyers falling out as to the meaning of words, I do not quite know where I am; but I think I can suggest a very small amendment here which will make its meaning clear, and I leave it to you, Sir, to decide whether you will put it now or later. I merely want to make it evident to the House what I would propose. I would like to add after the words "or undertake for remuneration" the words "including directorship of a joint stock company". I think there can be no doubt as to what that would mean, and when I say there can be no doubt I also take it that there is no doubt that that also would include editorship of a newspaper or anything of that sort.

Mr. President: I cannot put the Honourable Member's amendment as an amendment to this amendment.

Mr. W. S. J. Willson: No, Sir. I only wish to explain to the House that they can have this as an alternative.

Mr. M. A. Jinnah: What is the amendment before the House, Sir?

Mr. President: The amendment as originally moved was to insert after the word "employment" the words "otherwise than as a shareholder or director of a joint stock company". Some doubt has been thrown

[Mr. President.]

on the precise form of the amendment by the Honourable Pandit's suggestion that that amendment should be inserted after the word "trade". Does the Mover wish to insert it after the word "trade" or after the word "employment"? If the Honourable Member is really uncertain, I shall have to uphold the objection on the ground of notice because apparently he requires some notice himself!

Colonel Sir Henry Stanyon (United Provinces: European): Sir, I recommend to the House the use of a weapon very common with lawyers—caution. We have heard this amendment discussed. Either the amendment put forward by the Honourable Mr. Graham goes too far or it does not go far enough. It is an extremely dangerous thing to add words to a considered amendment of that kind in the way that is being done by one Member after another to-day. I suggest to the House that this debate should be adjourned and that the amendment, which is a very important one, should be reconsidered and again put up for approval by the House. By all means let it be redrafted and made much fuller so that if we like we may cut out something; but it is a very dangerous thing to add words on the impulse of the moment or perhaps from one single point of view in the way which has been suggested. My proposal therefore is that this debate do stand adjourned in order that the amendment may be re-drafted in the light of what has been said about it to-day.

Mr. President: Motion moved:

"That further consideration of the motion be adjourned."

Mr. L. Graham: Sir, from the speeches that I have heard I gather that the general feeling of the House is that this amendment does meet the requirements of the House. The suggestion has been made that we should add an exception in favour of a shareholder in a joint stock company. It would not be an exception, it would be an explanation from our point of view. The House, I am quite convinced, Sir, is against the President being allowed to take up a directorship in a joint stock company, and the only question before the House is this question of the shareholder—that is, whether you should have an explanation or whether you should have an exception. I say, an explanation is unnecessary because the drafting is quite clear and I say an exception would be against the sense of the House and that no question has really arisen for adjourning the consideration of this motion.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, explanations of that nature will not satisfy because there are many varieties of explanations and if you are going to add one after the other, the explanations will be too many. And I say, Sir, to you, Mr. President, supposing you were an elected President sitting here to-day in a deliberative place and you were asked to preside over a Committee

Mr. President: Order, order. As I see that the Honourable Member is dealing with the main question, I had better dispose of the motion that the debate be now adjourned.

The question is:

"That this debate be now adjourned."

The motion was negatived.

Mr. Devaki Prasad Sinha (Chota Nagpur Division : Non-Muhammadian) : Sir, we have often heard the expression that birds of the same feather flock together. But to-day when I heard Dr. Gour taking pride in joining hands with Mr. Jinnah, I was disposed to revise my ideas about that saying. For Dr. Gour enjoys in this Assembly the unenviable position of being a bird without a flock. (Laughter.) I should have said that Dr. Gour has the unenviable position of being a bird without any feather and a bird whom perhaps no flock in this House would like to claim. Sometimes he chooses to join hands with the Swarajists. sometimes he chooses to join hands with the followers of Mr. Jinnah. We can have no quarrel with his decisions or with his indecisions.

Sir Hari Singh Gour : I rise to a point of order. I wish to ask whether my Honourable friend is in order in making personal allusions to me?

Mr. President : The Honourable Member from Chota Nagpur was only making allusion to the Honourable Member from Nagpur in his public capacity.

Mr. Devaki Prasad Sinha : We can have no quarrel with Dr. Gour either in his decisions or in his indecisions, which are too frequent. But, Sir, when Dr. Gour spoke on this amendment, I was reminded of what he said when a question regarding the position of the President was raised in your absence when the Bill for granting protection to the Tatas was taken into consideration. Dr. Gour then eloquently pleaded not only for the shareholders but for the directors taking part—not only that but taking a prominent part as the President of this Assembly. I have not been able to understand the point of view of Dr. Gour and I am sure that very few people in this House do understand him. (*Mr. K. Ahmed* : “Excepting me.”) I apologise to my Honourable friend Mr. Kabeerud-Din Ahmed who is perhaps the only gentleman in this House who understands Dr. Gour and would claim him as one of his glorious companions. But, Sir, when we come to the main question under discussion, we find that there are two things to be considered: one is whether or not a shareholder should be allowed to take part in the deliberations of this Assembly as its President, and the other is whether or not a director of a company should be allowed to take part as the Chairman of this Assembly. With regard to the position of director, there seems to be almost a unanimity of opinion, but with regard to the shareholders there is some difficulty. The degree to which a person can be influenced in his capacity as a shareholder depends to a very large extent upon the volume of shares which he holds in a particular business. (*Mr. M. A. Jinnah* : “And also upon the kind of man.”) Exactly. I am very glad to be corrected by Mr. Jinnah. It depends upon various factors, and for deciding all these things we shall have to leave the matter to the judgment of the House. Therefore, Sir, if we lay down any hard and fast rule at the present time, we may not be achieving the purpose which all of us have in view. I feel that an indication has been given in the amendment that has been proposed by Mr. Graham and it may be left to the discretion of the House to decide which shareholder is entitled to occupy the position of our President, and which not. These are matters which must be settled by convention to a very large extent and we cannot hope to lay down any hard and fast rule for deciding them. We are anxious that nobody who has any personal interest in the deliberations of this Assembly should be allowed to guide its deliberations in the capacity of its chief. But we also realise

[Mr. Devaki Prasad Sinha.]

that when the interest which a man has in any proposal under discussion—I mean only personal interest—is so small and insignificant that it would not influence his judgment one way or the other, we must not try to bind him. Therefore, Sir, these are matters which must be settled by convention, and a convention that would be in the interest of the country and help in the impartial deliberations of the Assembly will have to be built up in the course of time. I therefore hope that, even if this amendment as it stands in the name of Mr. Graham is carried, we shall keep in view the fact that not only a person who is a director in a joint stock company but also a person who holds very large shares that are likely to influence his opinion one way or another, should be precluded from occupying the dignified position which you occupy to-day.

Mr. K. Ahmed: As I said a few minutes ago, supposing the elected President is nominated to preside over a committee meeting, say, in Calcutta, and he is allowed an emolument of Rs. 100 per day, will he draw it over and above the Rs. 4,000 a month salary which he will get under this Bill when it is passed, less no doubt Rs. 400 income-tax? But the President will be a whole-time President and he should draw only the salary he is allowed to take under this Bill. Sir, this one hundred rupees of emolument he gets for a day's work when he occupies the chairmanship on that committee to which I was referring. Would that not be considered again another explanation for undertaking employment for remuneration adding to the explanation of my friend the Honourable Mr. Graham? It is looking at the same point of view when in the matter of interpretation and construction now-a-days we find the students in the political arena are not quite accurate in saying. Once probably my Honourable friend Mr. Devaki Prasad Sinha, if he is engaged in a case, will throw considerable light, a different light altogether and get a verdict out of the court favourable to his client and probably to-morrow if he is to go before a different court, being engaged on a different line, probably he will consider the same thing in a different light and now-a-days with pupils and students in the debating hall what will be the position? See how Sir Hari Singh Gour is treated. Even a student like the Honourable Mr. D. P. Sinha who studied his book will take advantage of the author and ignore the fact that he had passed his examination after reading that book on which a different principle was laid down. There is no use now following a different principle and become a bird of the flock to which he has made reference. Sir, if I am a follower of the principle of the author quoted I am glad to float in the same boat with Sir Hari Singh Gour. I am sorry, Sir, I will have to differ from my young friend Mr. Sinha. I think it is better to follow the author and to read him on the same principle. Then I shall be quite right in going ashore rather than be drowned with my Honourable friend Mr. Devaki Prasad Sinha.

An Honourable Member: I move that the question be now put.

Mr. President: The question is that the question be now put.

The motion was adopted.

Mr. President: The original question was:

"That the Bill to determine the salary of the President of the Legislative Assembly, as amended, be passed."

Since which an amendment has been moved :

" That the proviso to clause 2 be omitted, that clause 2 be re-numbered as sub-clause (1) of clause 2, and below sub-clause (1) of the said clause there be added the following sub-clause, namely :

' (2) The elected President of the Legislative Assembly shall not during his tenure of that office practise any profession or engage in any trade or undertake for remuneration any employment other than his duties as President of the Legislative Assembly '."

Further amendment moved :

" That at the end of the word 'employment' the words 'otherwise than as a shareholder or director of a joint stock company' be added."

Mr. A. Rangaswami Iyengar: I beg to withdraw that amendment.

Mr. President It is too late.

The question is :

" That that further amendment be made."

The motion was negatived.

Mr. President: The question is :

" That the original amendment be inserted."

The motion was adopted.

Mr. President: The question is :

" That the Bill to determine the salary of the President of the Legislative Assembly, as amended, be passed."

The motion was adopted.

THE OBSCENE PUBLICATIONS BILL.

The Honourable Sir Alexander Muddiman (Home Member): I beg to move :

" That the Bill to give effect to certain articles of the International Convention for the suppression of the circulation of, and traffic in, Obscene Publications, as reported by the Select Committee, be taken into consideration."

Sir, I must detain the House for a moment to bring to their notice the previous history of this Bill. It was introduced in the Council of State as a result of a Resolution that has been passed by both Houses of our Legislature to give effect to certain articles of the International Convention for the suppression of this traffic. That Resolution was passed in this Assembly on the 8th March 1924. Briefly, the purpose of the present legislation is to extend the law dealing with obscene publications so as to fulfil our commitment to the International Convention in this respect. The Bill was introduced in the Council of State and passed by that House. It was then brought up by me in this House last September and the House decided that it should go to the Select Committee. That Select Committee has now reported and the report was laid on the table of this House some time back and has been, no doubt, considered by Honourable Members of this House. The Select Committee propose certain amendments in the Bill as referred to them. They are not of a very important character except in one respect to which I shall refer later. The Select Committee were considerably agitated as to whether the scope of the

[Sir Alexander Muddiman.]

Exception to the existing section 292 of the Indian Penal Code should be enlarged. That section, as the House is aware, has been the law for many years, indeed since the enactment of the Penal Code.

Previously the question of amending the *Exception* has not, I think, ever been agitated either in the country or brought before the Legislature. The Select Committee after fully considering the matter decided that it was wise to retain the law as it stands in that respect at any rate. If I may say so, I think they were well advised in taking up that attitude.

Then, Sir, the Select Committee have proposed to amend clause 3 of the Bill so as to limit the power of issuing search warrants to District, Presidency and Sub-Divisional Magistrates. Sir, on that point my own personal view coincides with that of the Select Committee. This is a new power—to issue search warrants for obscene publications, and I think it will be well to confine it, at any rate at first to the more experienced class of Magistrates in the manner which has been suggested by the Select Committee.

Then, Sir, the Committee have introduced a further amendment to the Bill concerning which I must say a few words. They have proposed a new clause 4 in the Bill which, if Honourable Members will refer to the copy before them, they will see confers on an accused the right of a trial by a Court of Session. The clause runs as follows:

“If any person under trial before a Magistrate for an offence under section 292 or section 293 of the Indian Penal Code, at any time before he is asked if he has any cause to show why he should not be convicted, claims to be tried by the Court of Session, the Magistrate shall, if he does not acquit the accused, commit the case for trial by that Court and the trial before that Court shall be by jury.”

Now, Sir, that is a very important and wide ranging clause. As Honourable Members are aware, the existing offence under section 292 of the Indian Penal Code is an offence punishable with three months' imprisonment and is triable by a first or second class magistrate. I should add, however, to put the case fairly before the House, that the Bill does contemplate an enhancement of that sentence in certain circumstances. It proposes that, where the offence is committed with reference to juvenile offenders, the maximum power of imprisonment shall be raised from three to six months. In that respect it is true that this Bill raises the maximum punishment for the offence in a particular class of case. If you look at the general scheme of our criminal courts and at the manner in which we classify offences for the purposes of trial by those courts, you will see that offences punishable with six months' imprisonment are I think never triable by a Court of Session; at any rate I cannot remember at the moment any such case. The whole system of our criminal courts is based on a classification by which the lower classes of courts try the minor offences and as the hierarchy of the courts increases so does the gravity of the offence which is brought before them. I will not go through the various powers of the various classes of magistrates because they are well known to the House; but the least of all offences are naturally triable by magistrates of the third class; those in which the punishment which can be awarded is of a more serious character are triable by magistrates of the 1st or 2nd class, and again more serious offences are triable by 1st class magistrates; while the Court of Session is reserved as a rule for the trial of offences of a very grave character. I should therefore feel very great difficulty in advising this House to accept an amendment by which

an offence where the maximum penalty is six months should be brought before a Court of Session under any circumstances. I have an amendment on the paper which, if I have the opportunity, I shall move later, which seems to me to meet the fact that the Bill in one respect at any rate enhances the punishment which may be awarded for the trial of these offences. The reason no doubt which moved the Select Committee to suggest this very special procedure was some anxiety lest judgment might be arrived at inadvisedly on the question of whether a matter is or is not "obscene". Well, Sir, if that is a difficulty, it is a difficulty which exists in the existing law, for the section, as I have already said, has been in the Penal Code since that Code was enacted. I also venture to suggest to this House that the law has been examined by the various High Courts during that long period and is fairly well settled. I think therefore there is no reason to suggest that the views of the Select Committee in dealing with this point in the Bill (which is in effect only making minor amendments in the law), require this drastic change. I will not go into the question of what is obscene and what is not obscene. It has been considered by the English courts and the Indian courts have arrived at what I might call a state of stability in that respect which appears to render it undesirable to disturb the position arrived at. I would also like to point out to the House that this Bill has been brought before the House at the request of the House itself with the object of extending the power to control obscene literature; and if you insist on inserting in a Bill a provision of that kind which must at any rate delay the determination of proceedings in certain cases and may frequently add greatly to the expense of the prosecution, you will not be carrying out what is the main purpose of the Bill which is now before you. The object of that Bill is to make the way of transgressors in respect of obscene literature harder rather than lighter, and I therefore hope, when the time comes, that the House will look very carefully at this recommendation of the Select Committee. Sir, I move that the Bill be taken into consideration.

Mr. President: The question is:

"That the Bill to give effect to certain articles of the International Convention for the suppression of the circulation of, and traffic in, Obscene Publications, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. President: The question is:

"That clause 2 stand part of the Bill."

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, I beg to move:

"That in the *Exception* to clause 2 of the Bill, after the word 'any' the following words be inserted, namely:

'books, pamphlets, writing, drawing or painting kept or used *bona fide* for religious purposes or any'."

I have ventured to bring forward this amendment not without noticing the points that have now been mentioned by the Honourable Sir Alexander Muddiman or the report of the Select Committee which refers to the fact that the word "obscene" has been explained and has almost been given a standard meaning by the decisions of the courts. If in spite of that I thought that this amendment was necessary it is because of the wording of the present clause, under the circumstances in which the clause is

[Mr. K. Rama Aiyangar.]

being enacted. The old section 292 had an *Explanation* of almost the same wording that is being retained here now, but the section itself has been considerably modified. Section 292 ran as follows:-

"Whoever sells or distributes, imports or brings for sale or hire or wilfully exhibits to public view any obscene book, pamphlet, paper, drawing, painting, representation or figure or attempts or offers so to do shall be punished with imprisonment of either description for a term which may extend to three months, or with fine, or with both."

And you had an *Explanation* of almost the same wording as the one in the Bill before us. But you know the present section has been considerably amplified and we have various clauses which bring almost all possible heads of violation within the purview of the Bill. Clause (a) deals with

"whoever sells, lets to hire, distributes, publicly exhibits or in any manner puts into circulation . . . "

and later on it says:

" . . . produces or has in his possession any obscene book, pamphlet, paper, drawing, painting, representation or figure or any other obscene object whatsoever."

Clause (b) refers to

"imports, exports or conveys any obscene object for any of the purposes aforesaid, . . . "

And then clause (c) runs as follows:

"takes part in or receives profits from any business in the course of which he knows or has reason to believe that any such obscene objects are, etc. . . . "

And clause (d) runs as follows:

"advertises or makes known by any means whatsoever that any person is engaged or is ready to engage in any act . . . "

And the last clause, clause (e) runs as follows:

"offers or attempts to do any act . . . "

So that it is a very comprehensive section which we are enacting now. The International Convention has laid special stress on this point and the whole section has therefore been remodelled. In these circumstances what I submit is that we have to see that the alteration made is perfect and we ought not to rely upon previous decisions to explain any term that will have to be considered as per the present section. Of course the word "obscene" appears in section 292. The word "obscene" appears here also. No doubt the interpretation of the word "obscene" as previously given by the courts will have to be taken into consideration. But at the same time the circumstances under which these alterations were made will have also to be taken into consideration; and the effect of it will be that if the *Exception* is strictly construed, you will have only "representations sculptured, engraved, painted or otherwise represented on or in any temple, or on any car used for the conveyance of idols, or kept or used for any religious purpose"—so that these representations on temples or on any cars used for the conveyance of idols will alone be exempted. Of course the Select Committee's Report, it is well known, cannot be referred to in construing the section, so much so that we have often given expression to our feeling that in the case of enactments introduced for purposes of preservation of peace and order in the country, the latter, as has always happened, have been utilised for purposes which, according to many, were not the purposes for which they were contemplated that they should be used at the time the enactments were passed. Of course, if any of the Select Committees' Reports are read and explained to

courts, the objection is easily taken that the observations in Select Committees' Reports are not relevant to the construction of the Act itself: so that the effect of this will be that you make every other thing punishable and you only exempt such obscene representations as are noted in the *Exception*, and it will follow that almost every other printed matter, book or pamphlet or things of the kind will be brought within the clutches of the section. Apparently the Select Committee did not intend to do that. They refer to the fact, and this is the wording that they adopt:

"We have considered at length the desirability of extending the scope of the *Exception* to new section 292 of the Indian Penal Code so as to cover religious, artistic and scientific writings, etc., but we have come to the conclusion that it would be difficult to do so without including writings, etc., which are not *bona fide* of the nature stated."

But by just indicating their intention that way, the section cannot be improved, the effect of the section cannot be improved. They meant to exempt such, but the section itself would not convey the same effect, and the construction of the section will necessarily bring us up against the fact that only those cases in which representations of the kind which are included in the *Exception* should be excepted, and any magistrate or any judge will be completely entitled, if this Bill is passed into law, to say that after this day all other things ought not to be taken as included, and that therefore any new publication coming into existence will be punishable irrespective of the fact that the old copies of the same thing that might be available may not come under the clutches of the section. Suppose there is a printing press which actually reprints most of the things of old which may in the view of a magistrate be obscene though they relate to religious purposes. He may refuse to say that he is bound by the previous decisions because this enactment which has adopted the recommendations of the International Convention was meant not to permit the republication of such things or printing presses being maintained for such purposes, and the magistrate will be entitled to convict a person under those circumstances. Well it is one thing to say that the High Court might come in and interfere and set it aside; or it might quite well be argued the other way. But certainly when you choose to pass an enactment, under the circumstances it is only proper that you should make it clear. The intention as expressed in the Select Committee's Report cannot be part of the Act itself, and the Act must be made full and clear. It is in that view that I came forward to place this amendment before the House, as I said, after considering all the facts. I submit, Sir, that the only plea that might be raised, as has already been referred to by the Honourable the Home Member, is the fact that this *Exception* has been there all these days and nobody has sought to amend it nor has it done any mischief. I am not prepared to say that anything has been done to go into the whole matter, nor do I know that where any particular magistrate held that these religious books were obscene, anybody has made an appeal or anything of the kind except where the matter has been more or less clear that they refer to scientific or religious objects, but in my amendment I have not brought in scientific books or works of art because there may be a view taken of them ordinarily which ought not to be brought within the meaning of the word "obscene." But it is not so with religious literature. The view may be taken one way or the other, and therefore I do not want that any occasion should be given for literature of that kind being brought within the scope of this enactment, and therefore I move my amendment.

Mr. President: Amendment moved:

"In the *Exception* to clause 2 after the word 'any' the following words be inserted, namely:

'books, pamphlets, writing, drawing or painting kept or used *bona fide* for religious purposes or any.'

The Honourable Sir Alexander Muddiman: Sir, I propose to deal with this amendment very shortly. If my Honourable friend will permit me to say so, his observations come to this. In the first place he seems to assume that the ambit of "obscenity" has been extended by the amending law. That is not so. The word "obscene" remains where it did. We make punishable more acts in connection with obscene publications but we have not in the least altered the meaning of the word "obscene." That stands as it did before. Then I would ask Honourable Members to look at section 292, and they will see that it consists of two parts,—the effective section and the *Exception*. The *Exception* provides a complete withdrawal of the matters mentioned in the *Exception* from the scope of the enacting section. Things which fall within the *Exception* may be as obscene as you please, but they are withdrawn from the operation of the law, and that no doubt was the intention of those who moved it. But when you have got to that, you have to go further and you have to consider whether a certain publication is obscene, not being a publication within the *Exception* which is already exempted. Then you will have to apply the ordinary rules which have been laid down in that connection, and these have been accepted by the courts out here, they have been accepted by the courts in England, and they are these:

"The test of obscenity is whether the tendency of the matter charged as obscene is to deprave and corrupt those whose minds are open to such immoral influences and into whose hands the publication may fall."

You have got the law. It must be applied according to the circumstances of the case. The House will see that you may have a medical book which it may be strictly proper to place in the hands of medical students but which it would not be proper to circulate in a girls' school. That is a point of view I should think which should strike anyone and that is the rule of law the courts have laid down. I take it that, if you were to examine the books of most religions and were to collect separately certain passages, you might produce a production which, unless collected for a very special reason, it would not be desirable to allow to be sold to the general public. That, Sir, is the position. That I desire to put to the House very clearly and it is on that ground that I have to oppose my friend's amendment. It is not that I have no sympathy with him. I have seen what he has in mind. He has himself admitted that during the long period this law has been in force nothing has happened to draw attention to any need for change in the law. There is no ground for the amendment, and as I say the object aimed at by the amendment will certainly be secured if they fall within the very reasonable rule to which I have referred. I oppose the amendment.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I

1 P.M. desire to add a few words to what the Honourable the Home Member has said just now. I would point out that neither the International Convention nor this Bill seeks to lay down any new standard or test of obscenity. If any book, pamphlet, writing, drawing or painting was to be held to be obscene under section 292, as it now exists, that would still be obscene under the proposed Bill. Any book or pamphlet or writing or drawing or painting which was not considered to be obscene under the existing law, will not be considered obscene under the present Bill. That

is the point which I want to make perfectly clear to this House. The main object which I think the International Convention had in mind was to put an effective check to the circulation of obscene literature. When we find that in the present section 292 certain aspects of traffic in obscene things were not penalised, when we compare the present Bill with the present section 292, it is apparent that what the present new clause 292 seeks to do is to supply those omissions which provided a loophole for people who used to carry on traffic in obscene articles. I find that under the present section 292 the following were not offences at all, that is to say, letting to hire any obscene article; circulation—without payment of course—of any obscene article was not held to be an offence; possession for purposes of circulation or sale also was not held to be an offence under the present Act. Although the present section 292 penalises import, it does not penalise export of obscene articles. Then, again, conveying for purposes of carrying on trade is not held to be an offence under the existing section, and then having financial interest in any traffic in obscene articles is, again, not held to be an offence under the existing section; and last of all advertising for the purpose of promoting such trade is not also considered to be a penal offence under section 292. It is merely with the object of remedying these defects in the present law that the new clause 292 has been framed in the way it has been. Sub-clause (a) of the new clause 292 practically reproduces most of the provisions of the present section 292; (b), (c) and (d) expand the provisions so as to meet the deficiencies which I have already mentioned. Therefore, my Honourable friend need not be under any apprehension that by merely trying to cast our net wide for the purpose of dealing with persons who may carry on traffic in various ways in obscene articles, we are at all changing the definition of the word "obscene" in any way. Not only that, I think that the implication of my Honourable friend's amendment is that there may be books, pamphlets, writings, drawings or paintings which are kept or used *bona fide* for religious purposes which may be taken to be obscene; and when a person accused under this section for possessing any such book, can prove that he kept or used such books, pamphlets, writings, drawings or painting for *bona fide* religious purposes, then only will it be a good defence. That is, I believe, my Honourable friend's intention. But I ask him to realise that he is placing these things certainly in a worse position than they are under the existing case law under this section 292, because it has been well settled by the case law under this section that no book, pamphlet, writing, drawing or painting kept or used for religious purposes shall be deemed to be obscene at all. Then again that question as to whether a book or painting or some other thing is kept or used for *bona fide* religious purposes, is a question of fact, which will have to be gone into by a court. Therefore, I do not suppose my Honourable friend's amendment will at all improve the law as it now stands. In the Select Committee we were quite alive to the difficulties, some of which my Honourable friend has mentioned. In this country we have got magistrates who are not thoroughly conversant with the religious practices of the people, and cases are conceivable in which an abuse of the law may be made on account of the ignorance on the part of the magistrate. It is because we are anxious to meet such situations that we drafted the new clause 4 of this Bill under which the accused person will have the option of claiming trial in a Court of Sessions with the help of a jury. I think the objections raised by my Honourable friend from Madras will be met if we adopt this clause, and in that view I would strongly urge the Honourable the Home Member not to press his objection to clause 4 when we come to that.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, after listening very carefully to the Honourable the Home Member and the Honourable Mr. Neogy in opposition to this amendment, I am not convinced that the amendment is unnecessary. The point is not whether the scope of the *Exception* arises out of the new amendment to the original section but the question is whether, having regard to the existence of an *Exception* to the section, these other things also should not be included in the *Exception*. I do not think the fact that you are including other matters inside the scope of the section is an excuse by itself for amending the *Exception*. Now that you are amending the section we meet with this difficulty and try to remedy it also. Both my Honourable friends who opposed the amendment agreed that if a book or a painting is used for a religious purpose only, then it should not be classed as obscene, that is, it should not come within the scope of the original section itself, apart from the *Exception*. The same argument would apply, if my Honourable friend's contention is accepted, to a representation, sculpture, engraving, or painting used for a religious purpose. That argument is sound; that argument must also proceed to the length of saying that there is no need for an exception at all of any kind. If a book which is used for a religious purpose should not be deemed to be obscene within the meaning of the original section, so also should a representation so used in a temple for a religious purpose not come within the definition of obscenity. But, unfortunately, the *Exception* assumes that it would come within the definition of obscenity in the original clause and the Legislature takes care to say that if it is used for any religious purpose, then it is an exception to the rule. The rule is that if it shall be obscene it will come within the definition. The *Exception* says that if it is used for any religious purposes it shall not be deemed to come within the section. So that we are agreed on the principle. If a thing is used for a religious purpose, then it should not come within the section. The *Exception* takes hold of one set of things which are used for religious purpose. We know there are other sets of things which are used for religious purposes. So that it is irrelevant to argue: "Oh, we are only extending the scope of the section to things which are not mentioned already." I do not say that the amendment which my Honourable friend Mr. Rama Aiyangar has proposed has anything to do with the amendment of the original section. But, now that we are considering the section, it is a difficulty which has been brought to our notice. Why should we not take notice of it? Why should we leave it to the sweet will of the magistrate to say whether, if a thing is used for a religious purpose, it shall not be deemed to be obscene? But what is that thing? He looks at the *Exception*. It must be a representation, sculpture, painting, etc. What about a book or picture used for a religious purpose? Therefore, it may well be argued, why these things which are not in the *Exception* are included in the section? We are agreed on the principle that both shall be exempt. The *Exception* only excepts one and does not except the other. Even if it is a book used for a religious purpose it would come within the offence. But if it is only a representation, sculpture or engraving, they alone should escape. There is no meaning in that distinction and I do think, Sir, that there is a great deal of force in the amendment moved by Mr. Rama Aiyangar. It is sought to restrict the *Exception* on a narrow ground. Mr. Rama Aiyangar wants to increase the scope of the *Exception*. It has nothing whatever to do with the original section. The scope of the *Exception*, as it stands, must be extended to include these other things which Mr. Rama Aiyangar has mentioned.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadian Rural): *Sir, the only logical position that the Honourable Sir Alexander Muddiman should have taken is either to remove the *Exception* or to meet all cases which ought to be provided on the ground that the object aimed at is to exclude from this section all representations, sculptures or engravings or books, writings or drawings, or paintings used for any religious purpose.

The Honourable Sir Alexander Muddiman: I am sorry to interrupt my Honourable friend. The *Exception* deals with representations, etc., in or on any temple or on any car and not with representations in general.

Diwan Bahadur M. Ramachandra Rao: But my friend Mr. Rama Aiyangar goes a little further and says that all books, pamphlets, writings, drawings or paintings kept or used for religious purposes should fall within the *Exception*, not necessarily the representations, etc., on a temple or on a car.

Sir, my Honourable friend, Mr. Neogy, referred to clause 4 of this Bill. I think that it is this clause of the Bill which will reconcile us to this legislation. It gives the option to the person aggrieved to ask for a trial by a Court of Session, and that certainly is a very great improvement in this Bill. But it has nothing to do with this amendment. The Bill is rendered much more acceptable by reason of clause 4, but so far as this amendment is concerned it seeks to extend the cases and to take them out of section 292. The *Exception* mentions "representation sculptured, engraved, painted or otherwise represented on or in any temple or on any car." Mr. Rama Aiyangar proposes to extend this *Exception* to books, pamphlets, writings, drawings, or paintings kept or used *bona fide* for religious purposes. I, therefore, think that it has nothing to do with the general clauses, namely, clauses (a) to (e) of section 292 to which reference has been made by Mr. Neogy. I think the amendment is logical and would carry out the purpose of excepting from the operation of section 292 all objects used for religious purposes.

Sir Hari Singh Gour: Sir, I think it is admitted by the Select Committee in paragraph 2 that books and writings were to be excepted from the provision of section 292. But the Select Committee point out that these exceptions are sufficiently covered by the case law. Now, the Honourable the Home Member is well aware of the fact that there is an established rule that where there is a certain case law on a particular subject and if there is a subsequent enactment of a Statute and that Statute makes no reference to the case law, the judges are of opinion that that case is to be governed by the subsequent Statute. That, at any rate, is one conceivable view. I do not think it is a right view, but that is the view which is sometimes taken. The Honourable the Home Member admits that books and writings are intended to be excepted, but excepted by the case law. The Honourable Mover of the amendment says that either remove the *Exception* altogether and leave everything to case law so far as the *Exception* is concerned or make your *Exception* exhaustive. The enumeration that you have made is partial. It is not exhaustive, and therefore it would lead to two conceivable views. It may mean that the books and paintings were intended to be excepted altogether because the policy of the law is to be exhaustive so far as it deals with that particular

* Not corrected by the Honourable Member.

[Sir Hari Singh Gour.]

subject. As the Privy Council have more than once pointed out, it is of the essence of the Code to be exhaustive. Therefore, we must presume that this *Exception* is exhaustive as to the matters excepted from the rule. But if, on the other hand, the Select Committee were of opinion and I understand that is the view taken by the Government—that religious books and the rest should be excepted and are intended to be excepted, then, I submit, nothing is lost by enlarging this *Exception* and making it as exhaustive as possible. I quite see the difficulty of making it exhaustive and I have already referred to the Select Committee's difficulty in this matter. Therefore, in order to overcome this difficulty an interpretation clause may be added saying that obscene publications shall be deemed to be such and such things and such and such things shall not be deemed to be obscene. But I submit that we must not leave anything to the case law. If you want to codify that portion of the law which deals with obscene literature you must make it self-contained and, as far as possible, exhaustive.

Mr. Bipin Chandra Pal (Calcutta: Non-Muhammadan Urban): *The matter does not seem to me, Sir, to be as simple as it has been tried to be made out. The *Exception*, to which a reference has been made, refers only to religious purposes and to paintings, sculpture, engravings, etc., on cars or temples. Now, I was thinking, Sir, of a particular case, a practical case, that might arise almost at any moment. If in the course of the journalistic business of a newspaper, say, the one with which I have the honour to be associated, I were to print the pictures of the temple at Puri with a scientific or artistic letter-press of those pictures, shall I or shall I not come within the purview of this clause? It would not be a religious purpose at all. The question has been raised again and again as to what is the meaning of these so-called obscene illustrations on some of our most popular temples, and I understand this question has not yet been settled nor even properly discussed. You have various views and various interpretations that are possible to be put upon these so-called obscene illustrations on our temple sculptures. If I were to publish scientific articles or even artistic articles with that point, I want to know whether I shall or shall not come within the clutches of the law as it will be made if you pass this measure. In any case if you were to pass this law with the exception as given here, "for any religious purpose," (*An Honourable Member*: "Photographs.") photographs and engravings will naturally come in. We ought therefore to add artistic and even scientific purposes. If you add that, it will make the position clearer. There are other matters also. In your note to the Select Committee you refer to these things and say that there is case law referring to *bona fide* religious, artistic and scientific writings and publications and illustrations. I do not think any court of law, unless it goes off its head, is likely to include the Song of Solomon, for instance, to go to ancient Scriptures, as coming under the purview of this section.

Mr. K. Ahmed: What is the Song of Solomon?

Mr. Bipin Chandra Pal: You have forgotten what it is. I have not got my Bible here. (*Mr. K. Ahmed*: "Suggest.") Read it. Therefore, if we are to have any exceptions, these things ought to be included and my

* Not corrected by the Honourable Member.

friend Mr. Rama Aiyangar's amendment does not go far enough for me. I therefore point out the difficulty and I leave it to the House to settle it in the best way it can.

Mr. President: The original question was:

"That clause 2 stand part of the Bill."

Since which an amendment has been moved:

"That in the *Exception* to clause 2 of the Bill, after the word 'any' the following words be inserted, namely:

'books, pamphlets, writing, drawing or painting kept or used *bona fide* for religious purposes or any'."

The question I have to put is that that amendment be made.

The Assembly divided:

AYES—45.

Abdul Haye, Mr.
Abdul Karim, Khwaja.
Abhyankar, Mr. M. V.
Abul Kasem, Maulvi.
Acharya, Mr. M. K.
Aiyer, Sir P. S. Sivaswamy.
Alimuzzaman Chowdhry, Mr.
Belvi, Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Dutt, Mr. Amar Nath.
Gour, Sir Hari Singh.
Gulab Singh, Sardar.
Hans Raj, Lala.
Ismail Khan, Mr.
Iyengar, Mr. A. Rangaswami.
Jajodia, Baboo Runglal.
Jeelani, Haji S. A. K.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Malaviya, Pandit Madan Mohan.
Mehta, Mr. Jamnadas M.
Misra, Pandit Harkaran Nath.

Murtuza Sahib Bahadur, Maulvi
Sayad.
Mutalik, Sardar V. N.
Naidu, Mr. M. C.
Nambiyar, Mr. K. K.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Pal, Mr. Bipin Chandra.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur
M.
Rangacharar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Roy, Mr. Bhabendra Chandra.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur
Shafee, Maulvi Mohammad.
Shams-uz-Zoha, Khan Bahadur M.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Devaki Prasad.
Venkatapatiraju, Mr. B.
Wajihuddin, Haji.

NOES—35.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Ahmed, Mr. K.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Easil.
Burdon, Mr. E.
Calvert, Mr. H.
Clarke, Sir Geoffrey.
Clow, Mr. A. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Fleming, Mr. E. G.
Graham, Mr. L.
Hira Singh, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Innes, The Honourable Sir Charles

Marr, Mr. A.
McCallum, Mr. J. L.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Neogy, Mr. K. C.
Reddi, Mr. K. Venkataramana.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Singh, Rai Bahadur S. N.
Sinha, Kumar Gangand.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Wilson, Mr. R. A.

The motion was adopted.

Mr. President; I propose now to adjourn. As I understand it will be impossible for the Honourable the Home Member to be present this afternoon, the further consideration of this Bill will be taken up on Friday next and I understand it is the intention of the Government to put it down on that day after the Railway Budget.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 19th February, 1925.

LEGISLATIVE ASSEMBLY.

Thursday, 19th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

STATEMENT OF BUSINESS.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I wish to make the following statement in regard to the probable course of Government business in the ensuing week.

It has already been announced in this House that Monday, the 23rd February, has been allotted by the Governor General for the general discussion of Part I of the Budget in respect of Railways and that the 25th to 28th of February have been allotted for voting of demands for grants. Part II of the Budget will also be presented on the 28th as already announced.

As Honourable Members are already aware, there will be a meeting of the Legislative Assembly on Tuesday, the 24th February, on which day it is proposed to hold elections for the four Departmental Standing Committees and also for the election of the Standing Committee on Emigration. It is also proposed on that day to undertake the following legislation:

To consider and pass the Prisons (Amendment) Bill and the Cantonments (Amendment) Bill, which were introduced on the 16th February;

To move for leave to introduce the Bill entitled the Cantonments (House-Accommodation) Bill; and

To take into consideration the Indian Merchant Shipping (Amendment) Bill as reported by the Select Committee.

On that day Government also propose to give time, after the disposal of official business, for the discussion of Rai Sahib Harbilas Sarda's Resolution regarding the establishment of a Legislative Council for Ajmer-Merwara.

COMMITTEE ON PUBLIC PETITIONS.

REPORT ON PETITIONS RELATING TO THE INDIAN PENAL CODE (AMENDMENT BILL (AGE OF CONSENT BILL)).

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, I beg to present the report of the Petitions Committee on certain petitions relating to the Indian Penal Code (Amendment) Bill, commonly known as the Age of Consent Bill.

RESOLUTION RE ESTABLISHMENT OF A MILITARY COLLEGE—*contd.*

Mr. B. Venkatapatiraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, resuming the discussion on the Resolution which I moved the other day, namely:

“This Assembly recommends to the Governor General in Council that early steps be taken for starting a well equipped Military College in a suitable locality to train Indians for the commissioned ranks in the Indian Army Service and the necessary amount be sanctioned to start the preliminary work.”

I may say, Sir, that I stand on firm ground in moving this Resolution, because this Assembly accepted this Resolution with the full concurrence of the Government of India both in the year 1921 and in the year 1923. His Excellency the Commander-in-Chief perhaps shows dissent that it has not got the full concurrence of the India Government. I can quote chapter and verse to show that I have got the assurance that it has got the full concurrence of the Government of India. In the year 1921 when a Resolution was moved by Sir Sivaswamy Aiyer an amendment was moved to his Resolution by Munshi Iswar Saran to the effect that, as soon as funds are available, steps should be taken to establish in India a military college such as Sandhurst, and the desirability of establishing in India training and educational institutions for other branches of the Army should be steadily kept in view. These are the two points. One is to start a military college on the lines of Sandhurst and the second to keep in view training in other branches of the Army, to which His Excellency the Commander-in-Chief at page 1754 in the last four lines said:

“I hope that at no very distant date funds can be made available, though at the present moment they are not very plentiful,”—(*that was in the year 1921*)—“and that we shall be able”—(*“we,” representing the Government of India*)—“to establish a college on these lines as suggested in the Resolution. For that reason, we accept the Resolution as amended.”

And it was adopted. That was in the year 1921, Sir. Again, on the 2nd July 1923, Sir Sivaswamy Aiyer put a question with reference to what effect had been given to the Resolution passed on March 28th, 1921, and the answers given by Mr. Burdon on behalf of the Government of India were as follows:

With reference to the recommendation No. 9 “that as soon as funds are available, steps should be taken to establish in India a Military College such as Sandhurst”, Mr. Burdon said:

“This recommendation has not yet been agreed to. Amongst other things, the financial condition laid down has not yet been satisfied.”

I do think that in 1925 we are very much better than we were in 1921. Then with reference to the latter part of the Resolution regarding the desirability of establishing in India training and educational institutions for other branches of the army, Mr. Burdon said:

“It is impracticable at present to take any definite action towards carrying out this recommendation.”

Not being satisfied with these halting answers, Sir Sivaswamy Aiyer moved another Resolution on the 4th July 1923, which ran as follows:

“This Assembly recommends to the Governor General in Council that he will be pleased to urge upon the Imperial Government the necessity for promptly giving effect to Resolutions 7, 8, 10 and 11 of the Assembly passed on the 28th of March, 1921, in connection with the Esher Committee's Report with the concurrence of the Government of India.”

In support of this Resolution, Sir Sivaswami Aiyer stated:

"These Resolutions were passed with the concurrence of the Government of India, and they have not yet been fully given effect to, and the Government should urge upon the Imperial Government the necessity of promptly giving effect to the Resolutions of the Assembly passed on the 28th March 1921."

Mr. Burdon, the Army Secretary, on behalf of the Government of India stated:

"Well, Sir, as my Honourable friend has pointed out, these Resolutions were adopted with the concurrence of the Government of India, and I may say that the proposals were duly laid before His Majesty's Government. But they have not been accepted."

Therefore, I think I am perfectly right when I state that we passed those Resolutions not only with the full concurrence of the Government of India but with the full concurrence of the ablest General, His Excellency Lord Rawlinson, the Commander-in-Chief in India, who stated that he would start a College in India. He went further and stated that he fully sympathised with our aspirations and that he would do all that lay in his power to see that something was done before he left the shores of this country. I am now moving this Resolution because I am anxious to see that His Excellency may be able to carry out his promise in this matter and that he may be pleased to lay the foundation-stone of a military college on the lines of Sandhurst in India before he leaves the shores of India. One of the objections advanced by Mr. Burdon in 1923 was that the peace and security of the Empire rested not with the Indian representatives but with the British Parliament. In 1921 we were a happy family, both the official benches and the opposition benches, because whatever Government wanted in the way of taxation was readily granted by us. The Government met us half way in meeting our wishes. That was the occasion when Mr. Montagu was the Secretary of State, and in the year 1923 he has gone, and therefore Mr. Burdon came in with an apology that he could not accept our recommendations, because he said that the Imperial Government stood in the way on the old hackneyed excuse that the security of India rests not with Indians or Indian representatives but it rests with them, the British Parliament and the British Cabinet. He also said that, as the British officers have secured the confidence and affection of the army, as they have been trained in the best schools in England, as they have got the best traditions behind them and as they have kept up the efficiency of the army, we cannot accept the risk of replacing those officers to any large extent by substituting Indians in their place, which would necessitate the starting of a College in India. That was one of the objections Mr. Burdon raised to our recommendation. But I would remind this House that when we were discussing the question of self-government in this House, Sir William Vincent, the Home Member, twitted us and said "How can you have self-government in the country unless you are in a position to defend yourself". Now, in order to meet that argument, Sir Sivaswamy Aiyer made a number of very valuable suggestions in order to render our people fit to defend the country, to which His Excellency the Commander-in-Chief readily agreed. I may also mention to the House that when the Duke of Connaught was commanding the western army in Bombay, on more than one occasion he assured the people there that he would be glad to see a Military College in India. Now it may be asked, what is the object of having a Military College in India when we have the Sandhurst College in England, which is by all accounts a well equipped, useful and also a renowned institution? My reply to that is this. How long are we to depend on Sandhurst, and how

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long are we to send our children thousands and thousands of miles away for getting military training? Should we not have a similar institution in our own country? Sir, it is not a matter of mere sentiment. With the help of His Excellency the Commander-in-Chief we have so far succeeded in starting a training institute,—I would call it a preparatory school—the foundation stone of which was laid by His Royal Highness the Prince of Wales at Dehra Dun. But that is not a Military College at all. It has got as much significance as the Holy Roman Empire, which is neither holy, nor Roman nor an Empire. It is not a college at all. It is only what I may call a public school on the lines of public schools in England, it is a preparatory school to train our students before they can proceed to Sandhurst. Therefore we cannot be satisfied with this Military College at Dehra Dun.

Then another objection which is raised is that it would be too costly to start a properly equipped Military College in India. But I may mention for the information of those who are not acquainted with the army budget or who never care to look into it that though we are only spending about 2 lakhs of rupees for the maintenance of the Dehra Dun Preparatory School, as I call it, we are spending money to the tune of about 1 crore and 25 lakhs of rupees annually for a number of institutions in India which are not open to Indians, excepting to a very very select few commissioned officers here and there. For instance, our military educational and instructional establishments cost as follows:

Supervising staff	...	...	1 lakh.
Staff College at Quetta	...	...	8 lakhs.
Small Arms Schools at Satara	...	...	5 „
Physical Training School at Ambala	...	...	1½ „
Equitation School, Saugor	...	...	3 „
Senior Officers' School, Belgaum	...	...	2½ „
Machine Gun School at Ahmednagar	...	...	1½ „
School of Artillery at Kahmi	...	...	1½ „
Tank Corps School, Ahmednagar	...	...	3½ „
Mechanical Training Transport Centre	...	...	3½ „
Army Signal School, Poona	...	...	1½ „
Practice for artillery	...	...	22½ „
Small Arms ammunition	...	...	55 „

Besides this, we are opening regimental schools for British troops and for Indian troops at a cost of 12½ lakhs and 5 lakhs, respectively. We are spending for the post-graduate course Rs. 125 lakhs annually and we are spending only Rs. 2 lakhs in order to train about 70 students annually, of which they expect about 10 students annually can be trained to be sent to Sandhurst, because they expect the annual wastage or what they call decrement will be only 10 persons in the eight units already sanctioned. For that purpose they think 70 students can be trained in six years. But what we want to know is, should we or should we not expect the Indianisation of the Army within our generation? Will it not be at any rate within 40 years? If we have only 8 units sanctioned in the year 1922, it will take 200 years and more and not 40 years to Indianise the army. They might say, what is the scope for your college unless we give you additional

commissions? We want them to give us additional commissions. That is perfectly true, we cannot start a college without having a decent number of students. These students are not useful for any other purpose except a military career and they can be used only if Government give them King's Commissions. Now we are arguing in a circle. How can we get on unless you give us additional cadetships thrown open to Indians? I ask, why should you confine it to 10 Indians? Why give us only 10 and not 50? If you give 50, or even 40, why should we not have a college? We have a post-graduate course, why should we not have a college? The instructions at Sandhurst only extend for a period of 18 months, less than two years. In the year 1876 in Canada they started a Royal Military College at Kingston, and they are spending only Rs. 12½ lakhs a year on it. Instead of following the English practice, they are training their boys there for four years on the American system and on account of their long training, you are giving them one year's seniority over the British trained cadets in England. They are spending only Rs. 12½ lakhs in Kingston, and those persons are being freely admitted into the commissioned ranks. I have got the book with the facts here. Why should we not be given the same privilege? But in order to give us those privileges the Government of India must be prepared to recommend, and His Excellency the Commander-in-Chief should be willing to follow his promise of helping us in recommending a larger number of units to be Indianised, and naturally a larger number of cadetships should be thrown open to Indians. After all if we are spending 55 crores annually for military purposes, we do not grudge spending out of it even 50 lakhs, or for the matter of that, if necessary, even a crore. I do not want any second-hand institution in India; I want an institution which can stand on its own feet and compete in efficiency with Sandhurst or Woolwich, or any other institution in the world, and when the country is prepared to spend 55 crores, cannot we spend half a crore or even a crore? After all we need not depend on Sir Basil Blackett for any additional grant. It lies with His Excellency the Commander-in-Chief because the Retrenchment Committee has suggested the giving up of three British cavalry regiments by which you can save Rs. 74 lakhs annually. And I understand the Government of India recommended the same course to be taken and only the War Office stood in the way, and therefore we are not able to secure a saving of Rs. 74 lakhs by the reduction of three British cavalry regiments. And the Retrenchment Committee suggested reducing the peace establishment to what it is in every other country, by which we can save 2 crores annually. These recommendations were practically acquiesced in by the Government of India in accepting the proposals of the Incheape Committee, but the War Office must be in our way. I do not think in such a matter of national importance money is any consideration, when we are spending money like water on the military. Within the last 10 years we have spent not less than 500 crores on account of military expenditure. Can you not spend something on such a useful institution to train Indians in our own country? Therefore that objection does not stand.

The second objection raised is perhaps that, if Indians are trained wholly in India, the people who are trained in England might look down upon the Indian-trained people. I humbly ask whether the Indian Members appointed to the Executive Council are looked down upon by the English gentlemen who are sitting by them as their colleagues? It all depends on the rank and the status given to them, and it depends on the self-respect and self-confidence shown by the Indian members, when they are placed there to be looked up to, not looked down on. That is no argument.

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And, Sir, the third objection is, can we get proper instructors? I submit, Sir, when we have got efficient instructors, able to give the men a post-graduate course, as we call this additional training here for these officers, after their 18 months' study at Sandhurst, can we not also give this training by appropriate and proper persons at whatever cost? Necessity knows no law. When the war demanded it, you started a school in Indore. You prepared men there; you gave 28 permanent King's Commissions, and 39 temporary commissions at Indore. If you want it you can start one here. If to-morrow His Excellency the Commander-in-Chief wants it, he can have a number of people trained in India, who will be quite as efficient as any other. And therefore the first point is, we must have it, whatever be the cost. And the other plea is we cannot have instructors; we cannot have a higher level of training. When the Japanese wanted to start their own institutions, they had three sets of schools, beginning with a preparatory school and then a cadet school and ending with a post-graduate school or staff college. They have obtained instructors from England, Germany and France. They are able to secure men by paying them. In the early days of the Chino-Japanese War the Japanese were looked down upon as mere monkeys, but when they showed their mettle they were respected, and later on when they thrashed soundly the biggest giant in Europe, Russia, everybody admired them and admitted that the Asiatic nations had got some mettle. Therefore we can train our officers as the Japanese trained theirs. And it is not difficult to find material in India, because, when you started Indian Army to begin with the nucleus of the Indian Army was the Rajput Regiments manned by Rajput officers, but you have others later on as well. In Bengal and the United Provinces you have Brahmin regiments. Do not think the martial races are confined only to the Punjab. In Southern India we won the decisive battle of the world at Kondur in 1759. These they won for you and gave you a stand in Southern India. If you read the account, you will see that in 1759 they were able to do it as ably as any other martial race. Neither in Madras nor in Bombay nor in Poona are men wanting who can show their mettle. Only, as it was put by Sir Sivaswamy Aiyer, you have emasculated the whole nation. It is for Your Excellency as the Commander-in-Chief to place us on our legs, so that we may show what we are capable of. While on this subject I may state that the other day when an unstarred question was put by Sardar Mutalik, the reply given by the Honourable Mr. Burdon was to this effect:

"The Government of India have submitted proposals to His Majesty's Government for the training of Indians at Woolwich and Cranwell, in order to qualify them for employment in the Royal Engineers and in the Royal Air Force. As regards the Royal Tank Corps the Government do not propose to train young Indian officers in this difficult and highly technical branch of the service"—*I do not know whether that is the view of Mr. Burdon himself or he is only echoing the sentiments of the War Office*—"until they have attained to greater experience and efficiency in the commissioned ranks of the cavalry and infantry now open to them."

Now, Sir, in England every person is admitted by the Universities into the Officers' Training Corps (O. T. C.) and an embargo is only placed upon Indian students because they say the War Office will not allow Indians to enter the Officers' Training Corps; and therefore Indians in spite of the large sums they spend are not allowed to enter these institutions. We are thankful to His Excellency the Commander-in-Chief that he has now paved the way by suggesting that Indians may enter those institutions; and his very suggestion resolves one of the difficulties raised

by him in a previous reply given in 1923 that all these Services are British and it is impossible for him to suggest that any steps be taken to admit Indians into these British units. Why not then have Indian units for the Indian Army? Otherwise if they want British units, let Britain pay for them as suggested by Sir Sivaswamy Aiyer. When we are paying crores and crores of money for these units they should be our units just as much as theirs and there should be no embargo of any kind. I appeal to His Excellency the Commander-in-Chief that he has accepted our recommendation; he made the Government of India accept it and the members of the Indian Cabinet must have accepted it when they allowed you to accept our Resolution. The trouble arose in the War Office. Just as in the currency question the Treasury Office stands in our way, so also the War Office stands in our way whenever we want this question settled. Before His Excellency leaves our shores let him fight for our cause and let him start an institution in India. It is not as if the Government Benches were opposed to us: we are for once all sailing in the same boat. There is some other obstacle. But let us stand shoulder to shoulder and remove that obstacle, by persuasion or by every other means possible; and that is why I have great pleasure in moving this Resolution that early steps be taken for starting a military college and the necessary amount be sanctioned to start the preliminary work; because this year I am practically certain there will be a saving of some 6 or 7 crores without considering the saving by reducing the British units or by the other economies which have been suggested. There should not therefore be much difficulty in providing a few lakhs out of those savings for this purpose. If that is not feasible and His Excellency wants it, we will suggest ways and means to provide whatever amount is necessary. Let not some excuse or other be put in the way of this important object of starting a college, and, therefore, I appeal to everyone in this House to say let us all unanimously carry out this Resolution.

Mr. E. Burdon (Army Secretary): Sir, I was anxious if possible to have an early opportunity of speaking in this debate because the subject which the House is discussing has a technical aspect on which I think I may safely say the majority of Honourable Members naturally do not possess as much information as is available to my Department and I wish to place at the disposal of the House at as early a stage as possible all the relevant material which Government have had at their disposal in determining the policy which they are now following. For the questions which the Resolution raises are of very great importance and it is in my opinion especially desirable, indeed essential, that both Honourable Members and Government themselves should get the utmost out of this debate in the way of ascertaining both what India really requires and what it is practicable to undertake in the matter of facilities for training officers for the regular army. An incorrect conclusion might be fraught with very serious results indeed. The question of the best means of providing officers for the army, the question of the best means of training officers for the army, to lead it, to organise it and to instruct it, are matters of vital consequence to every country. Here in India these questions have a special importance and, if I may say so, a special difficulty, at the moment, in that you are seeking to replace a class of officer, the British officer, who has occupied by himself a cardinal position in the Indian Army for many years, and has admittedly been extremely successful, and of great value to India, in one of the most honourable and arduous fields of human enterprise. The Honourable Member in bringing forward his proposition is, I know, looking forward to

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the time when India obtains responsible government, and in consequence must be prepared to be increasingly independent of the military assistance which she has derived from Great Britain in the past. To provide adequately and surely for the defence of India, in the future which is here envisaged, is a task of no small responsibility; and perhaps the most difficult part of the problem is to ascertain the best means of securing an establishment of officers no less efficient than those who have served the Indian Army in the past.

Now, Sir, my Honourable friend has referred to the fact that in March 1921 a Resolution advocating the establishment of an Indian Sandhurst was adopted by the Legislative Assembly with the concurrence of Government: and he has very naturally drawn certain inference from the fact that Government have shown no sign of carrying out the proposal. Obviously these facts require some explanation, and I propose to tell the House very frankly what happened on the occasion to which my Honourable friend has referred. The Assembly were engaged at the time in considering the Esher Committee's Report. They first appointed a Select Committee to go into the report in detail, and this Committee framed a series of propositions in the form of Resolutions which then came before the Assembly as a whole for discussion. One of the Resolutions put forward by the Select Committee was that the desirability of establishing in India a military college such as Sandhurst should be kept in view. I think I had better read out the original Resolution:

"This Assembly recommends to the Governor General in Council that adequate facilities should be provided in India for the preliminary training of Indians to fit them to enter the Royal Military College at Sandhurst; and

That the desirability of establishing in India a military college such as Sandhurst should be kept in view."

Now, to this Resolution Government did not wish to take exception because they recognised then, as they recognise now, that an Indian Sandhurst is a thing which is bound to come in time, which must be established in the course of time; but during the discussion of the Resolution an amendment was put forward to the second part of the Resolution in the following terms:

"That as soon as funds become available, steps should be taken to establish in India a military college such as Sandhurst, and the desirability of establishing in India training and educational institutions for other branches of the army should be steadily kept in view."

Well, Sir, the actual fact is that owing to some misunderstanding or some accident neither His Excellency the Commander-in-Chief nor my predecessor found an opportunity of speaking on this amendment and it was carried. (*An Honourable Member*: "What was the misunderstanding?") The Resolution came forward shortly after the President had given a reminder—apparently it was at the end of the day,—to the House that unless they expedited their proceedings they would never get to the end of the day's business. In any case, Sir, this is my real point. It will be apparent, I think, to Honourable Members that a proposition which amounted to the immediate establishment of an Indian Sandhurst was one which the Government with a due sense of responsibility could not accept without, at any rate, speaking their mind upon the subject in the Assembly, and giving reasons why they were prepared to assent to such a far-reaching departure of policy. I must remind Honourable Members in this connection

that the grant of King's Commissions to Indians was an arrangement which had only been in force for a short time, and Government had in 1921 little or no experience on which to determine whether it was necessary to abandon suddenly, after so short an interval, the original plan of training Indians at Sandhurst and not in India. The plan which Government had laid out for themselves, including the establishment of a college at Dehra Dun for training preliminary to Sandhurst, had not been tried out, and in all the circumstances it will, I think, be clear that Government's silence on the occasion in question could only have been due, as it was due, to accident. I would further point out that the Assembly themselves, if I may say so, were on that occasion not entirely consistent, since the Resolution which they had passed immediately before included a recommendation that the bulk of commissions granted to Indians should be given to cadets trained at Sandhurst. At no time in the course of the discussions on the report of the Escher Committee were the implications of the two rival propositions—Sandhurst or an Indian Sandhurst—fully developed, compared or reconciled. All this, however, is not really material to the business before the House to-day. It is only relevant to the suggestion that Government have been inconsistent or negligent. The inconsistency, if there is one, is apparent and not real, and I should like to tell the House that the facts which I have stated on this point only recently came to my knowledge. I was not a Member of the Assembly in 1921. The Government have certainly not been negligent in the matter for I may tell the House that the question of an Indian Sandhurst has on many occasions been examined with the greatest care and attention. I propose now to make some preliminary observations which will serve to indicate how the present policy of Government has been determined. When, in 1917, it was proposed that Indians should be eligible for the superior commissioned ranks in the Indian army, the quality of the new privilege to be given was assessed ungrudgingly. In this spirit, and from this point of view, it was decided that Indians should have exactly the same commissions as British officers of the Indian army have always held, namely, King's Commissions in the army carrying the power of command over British troops; and the principle was then adopted which has been adhered to unswervingly ever since, namely, that Indian officers and British officers in the Indian army should be on an equal footing, enjoying the same privileges and subject to the same obligations. In accordance with this principle and as much by way of conferring a privilege upon Indians, as requiring them to qualify by those tests alone which would make them as efficient as the British officers of the past, it was decided that they should be trained at Sandhurst. Indian boys who qualify at Sandhurst receive, as I have said, the King's Commissions in the army, the highest type of commission in the British Empire. In exactly the same way as British boys, they are attached in their first year of probation to serve with British regiments and thereafter they are posted to units of the Indian army.

Now, Sir, at the time of which I am speaking, 1917-18, the idea of an Indian Sandhurst was considered and rejected, and I am sure the Assembly will agree that the decision of that time was absolutely right. No one, I take it, will wish to quarrel with the decision to give to Indians the King's Commission in the army; and, this being so, it was essential that Indians should be given the same opportunities as British boys to qualify themselves to hold that commission worthily. They were not to be segregated from British officers in the Indian army. British officers were to continue to

[Mr. E. Burdon.]

serve in the Indian army side by side with Indian officers. It was therefore to the interest of the Indian cadets themselves that they should commence before entering the army the association and comradeship with British boys, which they would have to continue in their army life. The purpose was to eliminate the possibility of racial prejudice on either side, by establishing mutual liking and understanding at the earliest stage. Again, the principal qualities required in an army officer are a capacity for leadership, strong personal character and strong personal influence for good; and it was equally essential that Indians should be given opportunities of acquiring these at the institution which has devoted itself for years to the cultivation of these qualities, and has succeeded in turning out as good officers as there are in any country in the world. I need not remind my Honourable friends that in matters of defence there is only one standard of efficiency. It must be a standard higher if possible than that of every potential enemy; and, so far as quality in officers is concerned, there is only one safe standard to aim at, namely, the highest standard. Government did not overlook the possible dangers and disadvantages of sending Indian boys to a foreign country for their education at a young impressionable age, and of depriving them at that young age of parental care and control; nor did Government overlook the expense to private individuals which training at Sandhurst necessarily involves. But in their judgment the risk of Indian boys coming to harm in England was greatly reduced by the fact that at Sandhurst they would acquire a sense of discipline which would affect the whole of their lives, and while actually at Sandhurst they would be under rigid and wholesome control. Supervision during the holidays could be specially arranged for and the boys proceeding to Sandhurst would, therefore, be much better off in this respect than the Indian boys who have for many years gone to England voluntarily for educational, medical, legal and engineering training. In these cases the period of separation is longer and the tutorial control exercised is in all cases less effective than that which is exercised at Sandhurst; in many cases of the kinds which I have mentioned control does not exist at all. The objection on the score of expense was held to be met by the fact that Government would provide a certain amount of pecuniary assistance in the shape of paying passages to and from England and also that as many of the boys would be likely to receive King's India Cadetships they would be entitled to receive the pecuniary concessions which accompany the grant of such Cadetships. The risk of money being wasted was greatly reduced by the establishment of the Dehra Dun college and also by holding the entrance examination for Sandhurst in India.

The above were the results of the exhaustive consideration which Government gave to the matter: and it was in this way that it was decided that Indians should be given the King's Commission and should be trained for it at Sandhurst. They secured, if I may say so, a very great privilege compared with anything of the kind that had been done in the past. We have now had some 5 years' experience of the policy: and I think it will be acknowledged that this is a very short time in which to determine the best way of building up either a national army or an establishment of officers for the national army. In any other problem of life I feel sure that it would be regarded as premature to abandon after so short an experience a policy which has *prima facie* so much to recommend it. As, however, my Honourable friend has raised the question, we can with certain large

reservations review the position. At any rate, we know a little bit more about the subject than we knew in 1918, and we can see more clearly than we did then the advantages of Sandhurst and the disadvantages of an Indian Sandhurst. I have already spoken of the former and the judgment of Government in regard to the advantages of Sandhurst has undergone no material alteration. The disadvantages of an Indian Sandhurst, on the other hand, have more clearly emerged.

Nqw, in the first place, if it were to be definitely proposed to His Majesty's Government that all Indian candidates for commissions in the Indian army should be trained at an institution in India and not at Sandhurst, there is a possibility—I will not say more than this—there is a possibility that the question would be raised whether such Indian candidates should continue to be eligible for the King's Commission in the army or should, instead, be granted a local or Dominion commission. I would put the matter to the Assembly like this. Would it be a reasonable or an unreasonable proposition for India to ask His Majesty's Government to agree to the establishment of an Indian Sandhurst and to bind themselves to give the King's Commission in the Army, carrying with it the power of command over British troops on the basis of a separate Indian course of education conducted under Indian conditions and according to methods which must necessarily be determined, to a very large extent, by the ideas held from time to time by the Indian authorities? I wish to refer here to an argument which I know has sometimes been used, namely, that just as certain of the Dominions have their own military colleges, so India should have a military college of her own too. There is a flaw in this argument for no British troops of the Imperial Army are employed in those Dominions, and the Dominion military colleges in the great majority of cases merely train boys for the grant of Dominion commissions. Indians, on the other hand, claim to receive the King's Commission in the Army and indeed must receive such Commissions unless they are to be placed in a position of definite inferiority to the British officers with whom they are serving. (*A Voice*. "Let us have both.") That is hardly practicable. But, Sir, even if this question of the rival forms of Commission, the King's Commission and a local Commission, were not to be raised, supposing for the sake of argument that Indians though trained at an Indian Sandhurst were still to be allowed to hold the King's Commission, even then I say a distinction which could only be regarded as racial would be introduced and it would be a distinction to the disadvantage of Indians. Honourable Members of the Assembly need have no doubt upon this point. Officers trained at Sandhurst would be regarded as bearing the hall-mark of a superior article. The traditions of Sandhurst alone would ensure this quite apart from the greater efficiency of Sandhurst which I very much fear we could not hope to reproduce in India. (*Mr. Devaki Prasad Sinha*: "Why?") I shall explain that a little later. Some Honourable Members are no doubt aware that during the war we were compelled, as a temporary make-shift, owing to the necessity of training large numbers of officers at as many centres as possible, to establish cadet colleges at Wellington and at Quetta. British cadets were trained there and the officers trained there have never been regarded as equal to the officers from Sandhurst, and for the reason which I have given and for the further reasons which I will now give, they could not pretend to have received an equally thorough training. I would like, while on this point, to read out a few particulars of the organisation at Sandhurst.

[Mr. E. Burdon.]

The Commandant of Sandhurst is always a specially selected officer of the rank of Major-General, and each of the Company Commanders is a selected officer of the General Staff who has been through the Staff College at Camberley. The Warrant Officers and Staff Sergeant Instructors are the finest men in the Army, mostly picked men from the Brigade of Guards. Physical training, boxing, fencing and swimming instructors are picked men of the Army Gymnastic Staff at Aldershot. Equitation Officers are the best horsemen and instructors in the army, and the Warrant Officer Instructors are the pick of the British Cavalry and Artillery. To ensure that French is well taught, officers of the French Army are lent by the French Government and are attached to the staff at Sandhurst.

What I say on this point applies with greater force to Woolwich. Cadets of the technical arms, for which training is received at Woolwich, learn Electricity and Magnetism, Physics, Optics, the Chemistry of Explosives, and are made acquainted with every type of gun and explosive used in the Army, many of which do not exist in India. Proximity to Woolwich Arsenal is essential to their proper instruction. Now, Sir, I think Honourable Members must frankly recognise that it would be an uneconomical arrangement to establish an Indian Sandhurst, so long as only 10 commissions a year are available for Indians, and it would still be uneconomical even if the whole supply of officers required for the Indian Army were in the first place to be trained at an Indian Sandhurst. This is a very important point on which it is impossible to lay too much stress. Sandhurst caters for 620 cadets at the present moment. We take 70 cadets from Sandhurst for the Indian Army out of 620. The overhead charges which would be common to every military college can obviously be spread more economically over the larger institution. I do not, however, propose to develop this argument in detail. For one thing, the fact is self-evident and for another I know that the Honourable Mover of this Resolution is not prepared to accept any argument based solely on expense.

Now, Sir, I turn to another practical aspect of the matter, which also arises out of the fact which I mentioned just now, the number of boys trained at Sandhurst. There are 620 boys at Sandhurst and 240 boys at Woolwich, and because of these numbers it is possible to organise the cadets into battalions, companies and platoons, and I think the House will recognise at once that if proper military education is to be given, it is absolutely essential to have a sufficient number of boys to reproduce in the School actual army conditions. A boy can then be trained in drill, as a private soldier, as a non-commissioned officer and as an officer. He can actually be trained with troops in miniature. This of course would be quite impossible in an Indian Sandhurst. With 10 Commissions a year—I do not think I need say anything more, and even if you take the whole of your supply from an Indian Sandhurst, the number of boys in training would be 120 or 140 and you would not be able to form even one company out of these for training. Another aspect of the same matter is that in a smaller institution it would be impossible to develop the same *esprit de corps* as you can in a larger institution, and it is impossible in a smaller institution in particular to get that competition out of which *esprit de corps* arises—the competition between different companies and competition between different platoons. At Sandhurst this competition between platoons and companies in work, games, sports, conduct and everything else is very great. The champion company at Sandhurst

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carries a special colour on parade, and the interest of officers and cadets to be the champion company is tremendous. Now, Sir, I have already dealt with the disadvantages of Sandhurst from the Indian point of view. There is the disadvantage consisting in separation of the boy from his family and the disadvantage of expense. But we have done a good deal to meet this difficulty of expense and we hope to do more and I personally hope that the efforts of Government will before very long be reinforced by the establishment of scholarships to be endowed by patriotic Indians who are anxious to further the creation of a national army. As regards the moral dangers of sending boys to England at an early age, we have had little or no experience of any untoward results of this kind in the short period of which we have experience. Indian boys who have been to Sandhurst and have returned with commissions have been very happy there and they have liked the life there and we hope for even greater success when all the boys that are sent to Sandhurst are boys who have been through a preliminary course of training at Dehra Dun. As Honourable Members are aware, Dehra Dun has only been in existence for some three years. The full course of training there is 6 years and there is not the slightest doubt that boys who had been through Dehra Dun feel less unfamiliarity with the conditions at Sandhurst when they go there than boys who have had merely an early education on purely Indian lines, without the special features which are to be found in the College at Dehra Dun.

Now, Sir, I wish the House clearly to understand that I have not been attempting to argue this case in a contentious way, because I feel in agreement with the Honourable Mover that the benches over there and the benches on this side are really pursuing the same object, (A Voice: "Question?") and it is a question of finding out the best method. As I say, I do not wish to present the case in a contentious way; I have no reason for doing so. I have made it my object to explain some of the difficulties that would be attendant upon the creation of an Indian Sandhurst and to explain some of the benefits which we have at present but which might be lost if an Indian Sandhurst were to be substituted—*substituted* I say, for Sandhurst. I am perfectly certain that the House will give due attention to the facts which I have mentioned and I feel that they will be glad to have these facts in their possession. I have no doubt that the House only wish to get out of this debate and out of Government what is best for India. But I wish once more to repeat the argument which I have used once or twice already, namely, that any action would be precipitate which did not provide for our waiting until the Dehra Dun College has produced boys to go to Sandhurst who have had a full course of the preliminary education.

One word more, Sir, and I have done. As I have said before, the question we are discussing is one of vital importance, but it is not a question which can be settled in this House, it is not a question which the Government of India can themselves decide. It is a question in deciding which His Majesty's Government must have a very loud voice, the reason being that, so long as His Majesty's Government are responsible for the defence of India, in the manner and to the extent which I have stated on many previous occasions to the Assembly, they must have a great deal to say as to the method of training Indians as officers, and they must have, if I may say so, almost the sole voice in deciding what the course of education should be for boys who are to be trained to hold the King's Commission in the army.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): I agree with the Honourable Mr. Burdon that the question which is before the House is one of very great importance and I agree with him that we should approach it with all the calmness and caution that the subject demands. What he has said about the final decision resting with His Majesty's Government is a mere truism. No one will dispute it. What he has said about the importance of Indians holding King's Commissions is also a point on which there will be no difference of opinion. The King of England is the King-Emperor of India, and Indians have a right, so long as they continue to be the subjects of the King-Emperor of India, to hold the King-Emperor's Commissions. Whether the arrangements for their education are made in India or whether they are made in England makes or ought to make no difference in regard to their right to hold His Majesty's Commissions, and I hope they will hold those Commissions in larger numbers in the years to come. As regards the advantages of Sandhurst and the disadvantages of an Indian Sandhurst, I think many people will agree with the Honourable Mr. Burdon; they will be admitted without much discussion. Sandhurst, Sir, has been a long established institution. Years, decades, centuries of thought and labour, of imagination and effort, of knowledge of military science and tactics, have gone to establish, to rear up that institution. It is an institution of which Englishmen are rightly proud, and no Indian is so unwise as to think that an Indian Sandhurst which would compare with the Sandhurst of England could be established in a short time or without an enormous amount of expenditure. We can, therefore, without any hesitation, concede that it will be a long time before we can establish an Indian Sandhurst like the one that is in England. I also concede that it will require a very great deal of expenditure. But, Sir, there is such a thing as an overpowering necessity for every nation. The age has not yet come when people will be guided merely by righteousness, when they will be content to act according to the dictates of reason and conscience, when they will be content to possess whatever is rightly their own and not cast evil eyes or lay evil hands upon the possessions of others. (*A Voice: "There is the League of Nations."*) The League of Nations is at present an unreality so far as India is concerned. But taking things as they are, the age has not yet come when Englishmen will be content to remain within the borders of England, when all Englishmen will agree to the establishment of self-government in every other part of the world, particularly in India. There are Englishmen who feel that England should have her sway over India for all time. There are other Englishmen who feel that Parliament has committed itself to a policy of responsible government being established in India and they feel honestly that that policy has to be given effect to. There are Englishmen, I know, Sir, who honestly and truly wish to stand by that announcement and to work up for it. My remarks will be addressed to only this class of Englishmen. Those who do not belong to this category I must overlook. I must not think of them, but I speak of Englishmen who honestly feel that responsible government has to be established in India within a reasonable time. Many people are thinking of the year 1929 when there is to be a commission to inquire whether conditions have so far changed that responsible government should be established in India. Whether it will be established in full measure in 1929 or whether it will be established in full measure in 1939 is a matter upon which no man

can dogmatise, but upon one matter I think all honest Englishmen and all earnest Indians can join, and that is in believing that in a few years' time responsible government will be established in India as it is in His Majesty's Dominions. Now taking that as a proposition about which there is agreement on both sides let us consider what the implications are. No one can imagine India enjoying full responsible government unless Indians are prepared to take up the full burden of defending their own country. They must defend their own country. They must be prepared for it, if they want to have the full right of government in their own domestic affairs. How are they to acquire this power to defend themselves? Is it to be obtained by the means suggested by the Honourable Secretary to the Army Department? If it is to be attained by that means, what is the period of time during which it will be possible to attain it? If ten commissions or 20 commissions a year are obtained by Indians sent to Sandhurst, what a long period will it require to officer the Indian army with Indians? And unless the officers of the Indian army are to be Indians fully trained in India, what kind of an army will you create? Will it be an army upon which any responsible man can depend to defend this vast country against invasions from outside? I say it will not be. You will start Indians whom you will train at Sandhurst with a great handicap. You will constantly keep before their minds the idea of inferiority, of belonging to an inferior country which does not possess even a military college of its own to train the officers of its army which is to be relied upon to fight an enemy and to uphold the honour of the country. Select ten, twenty, thirty or forty Indians. Send them to Sandhurst to receive their training. Tell them that they must be separated from their home and country and kept in a distant foreign country for a long time before they can be educated up to the standard of an officer. You will not create in them the right spirit. I would not have such officers if this is to be a permanent arrangement. I value the training given at Sandhurst. I appreciate it whole-heartedly. I know what a long time it takes to make an English officer. I honour an English officer. He is one of the finest men you can think of in the world. His training has been a training of not less than 20 years. He goes to school. He receives training at the ordinary country school which fits him to join the army school. At the army school he receives special training, and even after he obtains a King's Commission, his training continues. He is under control and supervision until he rises to the top. If he fails at any step he is condemned to remain at a lower stage and not permitted to go up to the higher rungs of the ladder. That is the kind of training which an English officer receives. We want that the same kind of training should be available to Indians. It is not possible to have that training given to Indians unless you create a military college in India. The first thing an Indian aspiring to a career in the army should be helped to possess is the right feeling; there is the military college in my country. I want to be trained up at that college. I must qualify myself in the right way in order that I may gain admission to that college. In England you have schools in the counties. They select and recommend young men for the army school. Some of your young men receive their military education at the Universities, the bulk of them go on to Sandhurst where they receive the best training which they can. The idea of going there fills them with enthusiasm. It gives them a broad outlook. I want to create that outlook in the first instance in our Indian students.

[Pandit Madan Mohan Malaviya.]

His Excellency the Commander-in-Chief to make it clear to the War Office that they should not exercise the power which they undoubtedly possess over us, their humble fellow subjects, in a wrong way, in an unrighteous manner; that they are exercising the power which they possess over us in an unrighteous manner when they are keeping us out of military training in our own country. Let us think of the extent of this great Empire. This vast Indian Empire requires a large army to maintain order and peace within and to fight its enemies on the frontier. That this country should have to depend for all its officers upon a distant country, so distant as England, that there should be no provision for training officers of the army in the country, is a proposition which would be unthinkable were it not that it is unfortunately a reality. Is there a country in the world of one-fifth of the dimensions of India which is without a military college? The Dominions have established them. Mr. Burdon made a great point about Indians running a risk of being deprived of the right to hold King's Commissions if an Indian Sandhurst were established. Well, Sir, I honour the King's Commission, but we know that it is not a thing which is given to us in abundance. It has been a thing doled out only to tantalize us, only to tell us that we hold an inferior position. While the proclamations of Sovereigns and Acts of Parliament have said that Englishmen and Indians shall be treated as equal fellow subjects, the King's Commissions are there to tell us: "You belong to an inferior race; you are a subject population." We wish that we could wipe out that disgrace, and if the King's Commission are only to remind us that we hold an inferior position as subjects of His Majesty, then I say I should bid good-bye to the King's Commissions. I should like to have the King-Emperor's Commissions instead. We want a fair, open and equal contest with our English fellow subjects. I want our lads of Indian Universities and Indian schools to be put in competition with the English lads in all the items which go to make up a military education. I want them to compete on equal terms. If Indians fail no Indian will complain. But if the Indian succeeds in competition with his English fellow subject, I am sure every honest and reasonable man will agree that the Indian should have the King's Commission just as much as any other of His Majesty's subjects. If they do not win it, we will not complain. We only want a fair chance. Let both have the same facilities, the same education; that is what we want. But the problem will not be solved by looking at it in the way in which Mr. Burdon has tried to look at it. His was a case, I am sorry to think, of very special pleading. Undoubtedly he put it very lucidly. He put it in a manner which would attract, which would enlist sympathy; but unfortunately, Sir, the inherent weakness of his case was so patent that I do not do him any injustice in saying that his argument had no effect upon the minds of most of us here. We recognize all the difficulties he has pointed out. We wish to rise above those difficulties. We wish to establish the right conditions for training Indians for the army, and that is, Sir, the proposition for which I ask His Excellency the Commander-in-Chief's support. Other peoples were situated in a worse position than we are at present. I will again refer to the case of Japan. When the Revolution took place in 1868 they had no army worth the name. It is because they had no army that other nations, France, America, and England, were able to dominate the situation. The Japanese saw the danger; they organized an army and began to train their officers, and in the course of twenty years they won distinction in the war with China and ten years later

they won higher distinction when they defeated Russia. Give us the chance and I hope, Sir, that our Indian soldiers will give a similar account of themselves and be able to produce good officers for the service of their King and country. We want only a chance; we want an opportunity and that is what I plead for. I hope every Englishman who is sitting here will realize the reasonableness of our demand and stand up wholeheartedly to support it. If that support is forthcoming, all the difficulties which Mr. Burdon pleaded so specially for will disappear and in a few years time we shall have the glorious, gladdening spectacle of seeing Indian youth being honourably and properly trained in India for the service of their King and country and giving a very good account of themselves. I hope, Sir, the Resolution will yet meet with a cordial response from His Excellency the Commander-in-Chief and the Government Benches, and I hope that every Member of the House will lend it his wholehearted support. (Applause.)

Colonel J. D. Crawford (Bengal: European): Sir, I would like to ask the House to consider what is the object of the Resolution moved by my Honourable friend. It professes to be a desire to start in India a military college, and by that he has explained to us that he means a Sandhurst. But underneath and underlying that Resolution there comes a larger question—that of the more rapid Indianization of the officer establishment of the Indian Army. Now I would like to call the attention of the House for one moment to what is the actual position as regards officers of the Indian Army at the moment. Now the establishment of officers in a British battalion is I believe 28, and the establishment of officers in an Indian battalion is 29. Of that 29, 17 are already Indians and 12 are British. The problem therefore comes down to this fact that the 12 British officers hold the higher appointments in an Indian battalion and our object is the gradual elimination of that British element. That, I take it, is the object of the House. Now what is our problem? We are trying to build up in India an army completely Indian, capable of undertaking the self-defence of this country, and in endeavouring to find out the best methods in which we can solve the problem, it is essential that we should recognize some of the factors which enter into the problem.

Pandit Shamlal Nehru: May I know who will solve that problem?

Colonel J. D. Crawford: I take it all of us in this House. I want you to consider for a moment some of the factors that underlie the solution of this problem. We have already a certain amount of experience of completely Indianized units in the final test of war, and the Government have referred with considerable admiration to the very fine effort of the Imperial State Forces during the late great war, but from that and from our actual experience in the war we find that there are considerable difficulties. Those Indian State Force regiments, when they went to the war, were completely commanded by Indian officers and had been trained under Indian officers. They did not, however, pull their full weight in the war until they had been provided with a considerable establishment of British officers to assist them. (Mr. Bipin Chandra Pal: "Why?") My Honourable friend, Mr. Bipin Chandra Pal, says why, and in that I think he has possibly the whole of our difficulty. The fact is that in your British officers, and I say this without any desire to exaggerate and with all modesty, you have possibly the finest stamp of leader that you can get to-day in the world. Whether we can breed and train a similar

[Colonel J. D. Crawford.]

stamp of officer in India remains yet to be seen. I am not prepared myself to say that it is possible. (A Voice: "Why?") We must first have the actual experience of war to put our experiment to the test. (Mr. M. A. Jinnah: "Will you wait until we have a war?") I am afraid, probably you will have to. (Sir Hari Singh Gour: "We want to make a beginning.") The point is this, that we have undertaken, or rather the Government have already undertaken, the training of Indians as King's commissioned officers, and they have further set aside 8 Indian units which in the process of time will be completely Indianized; and I hold that this House would be extremely rash in an important Department such as the Army to expand their experiment until they have put to the final test of war those completely Indianized Indian battalions without the support of one Britisher or one British bayonet. I trust that they will be successful, but until they have proved, in war, that they are successful—and Mr. Jinnah thinks that that would be a very long time—I am afraid, knowing the dangers of the frontier, that opportunities may arise far sooner than he expects.

Mr. Devaki Prasad Sinha: How can they prove that they will be successful, without any training?

Colonel J. D. Crawford: I have already said that these officers are already having exactly the same training as British officers.

Mr. Devaki Prasad Sinha: Very few of them.

Colonel J. D. Crawford: Only such number as you can take into the 8 Indian units. Do you intend to throw away the whole of your Army before you are absolutely certain that you have a safe substitute? However, that is one problem, and when we look into the question of Indianization and the Indian commissioned officers now entering the Army we are faced with certain difficulties. The first thing is that many of them refuse to serve in the Indianized units, and I would ask the House to consider for one moment what is the reason underlying that refusal on their part. To my mind it arises from a considerable mistrust of one another. (Mr. Bipin Chandra Pal: "Hear, hear".) I do not know exactly what is the reason for their saying that, but they do say that—I am absolutely certain some of them say that—"serving without British officers, we will not be dealt with in accordance with our merits. Questions of religion, questions of caste, will enter into the consideration of the manner in which we are dealt with." That is a view that they take themselves. You have, therefore, before you are going to get completely Indianized regiments, to establish that feeling of trust between Indians themselves. That is one of your difficulties which you have to face. Another point is that many of these young men who have taken the King's Commission in the Army find that the life of the British officer is not as easy as they were led to expect. It is a far harder life than I think most Members of this House realize, who look upon it probably as consisting solely of going to the club in the evening. But life on the frontier and the conditions which officers in the Army in India are called upon to serve under are some of the hardest which men can be called upon to face; and we have to harden up our men, our young men, before we can expect that they will stand up to the conditions. The importance of this Resolution has already been emphasized by Mr. Burdon. There are two particular points. One is that in the successful solution of this problem of making an Indian army completely officered by Indians lies the

eventual hope of self-government in this country; and the second point is that if we deal with it rashly, if we deal with it without looking at all the factors, we are liable to a most disastrous failure. Failure in this Department, if it comes, will be a disaster from which we cannot recover. Failure in other administrative Departments does not open us to that very serious risk, and we must remember that in India we maintain an army not for any theoretical reasons but for the very practical reasons that along our frontiers we are daily faced with the business of actual fighting. There is probably no country in the world which is faced with the same position that India is faced with—the thought that at any day, at any moment, there may come a war on us—and therefore our military machine must have a standard of efficiency that we cannot risk lowering. Now it is not possible to take any man and say, “Come along, you will make an admirable soldier”. The men that you will have to find for your army in India must be taken from the martial races, and amongst your martial races to-day you have a lack of educated men to fill the post of officers. Now I mentioned at the beginning of my speech that over 50 per cent. of your officer establishment of the Indian Army to-day is already manned by Indians—men whom any British officer would look upon with the very greatest admiration, men who are full of courage, full of loyalty and full of training, but without education. (Mr. M. A. Jinnah: “And without pay.”) And without sufficient pay if you like—I would agree with you. They are without, as I say, education and I think if we are going to tackle this problem properly, before we get down to the question of the military college, we should get down to the training of the youth of the nation. I believe the solution of the problem lies in getting your young men at the age of 9 and bringing them into professional colleges built up in the nature of our public schools at home; and here I would quote from the speech of the Honourable Mr. Rangachariar on the Lee Commission. He stated there:

“My own experience, having recently been in England, is that the English people are what they are on account of their educational institutions and we are what we are on account of the educational institutions which these gentlemen have provided for us.”

I thoroughly agree, Sir. I have always said that the educational system in India has failed; what we want is to provide something much more in the nature of English public schools. From that we will get a stamp of men who will be able, I believe, to fill posts in every administrative department as well as in the Army; and I believe the first thing we have got to do therefore is the establishment of these professional colleges of which Dehra Dun is to-day an admirable example. I would like myself to see Dehra Dun expanded not against the military budget but against our educational budget, so that it can provide men not only for the Army but for the other various services of the Government. I cannot agree with my Honourable friend Pandit Madan Mohan Malaviya that we should give up the advantages obtaining from sending our young men to Sandhurst. Those advantages are very valuable. There they meet with young men throughout the Empire and they get that polish and that *esprit de corps* which is essential to any successful body of officers. Were we to train them only in India I believe they will be exactly in the same position as the boy at home who is brought up privately by a tutor compared to a boy who has the training of a public school. There is no doubt that we are all endeavouring to find a solution of this problem. I understand the Government of India have under consideration the establishment of King George's colleges; of a Kitchener college, which will train

[Colonel J. D. Crawford.]

the sons of Indian Army officers, who stood by the Army so well, to make them a better stamp of men and better officers in the junior ranks of the Army. I believe herein lies a method whereby we may eventually establish that Army officered by Indians; but the position is exceedingly difficult and in view of the great risk that we run, it must be tackled with the greatest caution. I cannot believe that we can to-day or within 15 years completely Indianise the Army. We will be undertaking a risk having in view our responsibility towards the country. I think it is a thing which must grow gradually and we must prove to our own satisfaction that it is a possibility before we launch on any great scheme.

Sir P. S. Sivaswamy Aiyer (Madras: Nominated Non-official): Sir, I have listened to the remarks which fell from my honourable friend Mr. Burdon with all the respect which they generally deserve, but I have not been able to understand exactly what his attitude or that of the Government is; whether it is one of opposition or unwillingness to accept, or inertia or what else I cannot understand. My Honourable friend referred to the fact that this Resolution of 1921 was passed at the end of the day and he also pathetically referred to the fact that he himself was not in the Assembly. Possibly if he had been at the elbow of His Excellency the Commander-in-Chief a different result might have followed the debate. Possibly the fact that it was at the end of the day might have had some influence over His Excellency but I am not aware of it. But one thing I may say, that the force of that Resolution cannot possibly be weakened by any of the circumstances to which my friend has referred. There was a later opportunity when this Resolution came up for discussion. That was in July 1923 when I urged the Government to make a fresh representation to the Imperial Government. And I distinctly stated that this Resolution which had been passed with the concurrence of His Excellency as spokesman of the Government, had made no progress during the three years. Now, no attempt was made to belittle the force of the Resolution which the Assembly had passed with the concurrence of the Government. Now, Sir, we have had another two years since the Resolution of 1923 and what are the reasons now brought forward and what is the attitude of the Government at the present moment? I do not believe that my friend Mr. Burdon is really opposed to the spirit of this Resolution. I am quite willing to credit him with a desire to do what he can to move a stage further. But how far exactly he is prepared to go I do not quite understand. Now, Sir, what are the reasons which have been brought forward by Mr. Burdon in his speech against this Resolution? He refers to the fact that the training given at Sandhurst is of such a superior character that in the interests of our cadets it would be wrong to deprive them of the opportunity of a training at Sandhurst. Now, we do not wish to have any institution here which will impart training of an inferior character. We wish to produce here the same conditions that prevail in Sandhurst in England. Of course, we know we cannot reproduce the atmosphere of England, but that is a thing which we cannot help. But short of that, we desire that the training here should be of exactly the same standard as in England, that our instructors should be recruited from the best military experts in England, and that the training should in no way be inferior to that which can be obtained in Sandhurst. It has been pointed out that the object of the Government is to put the Indian commissioned officer and the English commissioned officer on an equal footing, that if the Indian

commissioned officer obtained his training in India and his English confrere obtained his training in Sandhurst in England, there would not be that equality of status, real or supposed, which would alone be conducive to a real spirit and sense of equality. I do not know, Sir, how far it is necessary to give weight to this sentiment. It is quite possible, and I am willing to concede, that the man who has been trained in England may consider himself superior to the man who has been trained in India. But, whether he is really superior or not will depend not upon the one man's belief or feeling of superiority but upon the actual facts. If the training here is really as good as that given in England, then this feeling of superiority, which may perhaps exist for some time, will be found later on in actual experience to be not justified by the facts. It seems to me to be a factor of quite negligible importance. Now, if this training at Sandhurst is so superior to the training to be had elsewhere in the world, why is it that the Colonies like Australia and Canada have their own military colleges, and why do they not send their young men to England for the purpose of holding offices in the Colonial Army? The argument really to my mind proves too much. If it is so good that the training given in any colonial institution or anywhere else cannot approach it, then all the Colonies ought to send up their cadets to Sandhurst. But the Colonies have had their own way, they have had their colleges and their armies of officers of young men trained in their own military colleges. Then, Sir, it is said that, if the training is all imparted in India, the Imperial Government may not be willing to grant King's Commissions to the young men who are trained here because King's Commissions carry with them the power of command over English troops or any troops of His Majesty anywhere in the world. That is perfectly true. But our ideal should be an army modelled on the lines of the Dominion armies. We shall be quite content if our commissioned officers can exercise authority and control over troops in our own country. No doubt, in theory, a King's Commission has a much higher status and at first sight the idea of holding a Commission which will enable you to exercise control over any part of His Majesty's land forces in any part of the world may be attractive, but let us look at the facts. Do Indian commissioned officers as a matter of fact exercise any authority over British troops in other parts of the world or in British units? It is only as a matter of theory that this King's Commission is attractive. I see Mr. Burdon shaking his head. I admit that it does carry with it in theory the right to control, but I am not aware that Indian commissioned officers have been allowed to command British units or have been allowed as a matter of fact to exercise control over units of the British army in other parts of the world.

Mr. E. Burdon: Has not my Honourable friend forgotten the command of mixed brigades and of divisions of mixed troops in this country?

Sir P. S. Sivaswamy Aiyer: I am not aware that any Indian officer actually exercised any command over British troops here.

H. E. the Commander-in-Chief: They certainly have command over British troops here. The young officers who come out from Sandhurst and are attached to British units in this country have command over British troops of cavalry, of British sections and British companies, and their training, and the King's Commission entitles them to do that.

Sir P. S. Sivaswamy Aiyer: But generally, Sir, apart from the period of attachment for training, the Indian officers have not had the opportunity of commanding British troops.

[Sir P. S. Sivaswamy Aiyer.]

Now, Sir, whatever the advantages of a King's Commission may be, the ideal which we aim at is a Dominion army modelled on Dominion lines and we are in no way anxious to obtain the power of command over other units of His Majesty's army serving in other countries. The other arguments in favour of not taking action upon this Resolution or allowing Indians to be sent to Sandhurst are not, I think, of such a character as to be convincing. It is not merely a question of sentiment. There are serious disadvantages in sending young men in the most plastic period of their lives to a foreign country with all its temptations. I am sure His Excellency the Commander-in-Chief is aware of the depth of sentiment in India which prevails upon this question, and the desire that is universally entertained that we should train our young men in this country itself for King's Commissions. I am aware, however, that there may be difficulties in the solution of this question and I am quite prepared to make allowance for these difficulties. Apart from the financial aspect of the question, to which Mr. Burdon rightly referred, there are other aspects which may require consideration. For instance, the question of the number of commissions which we throw open to Indian cadets every year is undoubtedly intermixed with this question of a training college. If you are going to grant, say, 10 or 15 places every year, it would certainly not be expedient or desirable even from an educational point of view to have a separate college here. That I can see. But if you can increase the number of commissions to be thrown open every year, and if you can increase the number of students to be trained every year to at least 40 per annum, as, for instance, by training cadets belonging to the Indian States—there are Indian State forces and officers have to be trained for the Indian States—I am sure the feasibility of starting an educational institution here would be looked at from a different standpoint. I am aware also that there may be difficulties of the kind referred to by Mr. Burdon with regard to the character of the commissions to be granted, and so on. But these are not difficulties of an insuperable character. While I am quite prepared to agree that there may be some necessity for having the subject properly considered and inquired into, we cannot agree to treat the question of the desirability of starting a college here as an open one. That question was concluded by the decision of the Assembly in March 1921; and as to the desirability of establishing a college, there can be no doubt or difference among Indians at any rate. The only question is whether, in view of the other difficulties which may present themselves, as for instance, the number of commissions, the cost of starting and equipping a college, and the character of the commissions to be conferred, it would not be desirable to have a preliminary inquiry. That, however, is quite a different matter. We do not want to leave the question of the desirability or the expediency of having a college here treated as a perfectly open question, and allow the Government to come to the conclusion that no college should be started here. We do not want to see the Government go back upon the Resolution which was passed in 1921 for the early establishment of a military college.

With these remarks, Sir, I have great pleasure in supporting the Resolution which has been moved by my friend Mr. Venkatapatiraju.

Captain Ajab Khan (Punjab: Nominated Non-official): Sir, it will be the desire of every patriotic Indian to agree with the spirit of the Resolution moved by my Honourable friend Mr. Venkatapatiraju, but in putting it into practice there are very many difficulties which may not have occur-

red to many Members in this House. When I read the announcement of 1917 about the goal of the British Government in India I for one could not realise how far responsible government would go without an Indianized defensive army for India. On the other hand, the demand for the establishment of a military college in India, giving candidates, who pass out of it the King's commission, with the same privileges and rights as the candidates who pass out from Sandhurst, will not be agreeable to the other officers who get their commissions from Sandhurst, and as such we, who are on our way to responsible government, will have secured the prerogative which is wanting even in the Dominions at the present moment. Moreover if, according to the proposal of Sir Sivaswamy Aiyer, we start a college and give dominion commissions in India, I do not know how it will work when we have a composite brigade of British units and Indian units. In one case certain units will be commanded by British officers with the King's commission, and the other units will be commanded by Indians trained in India and that will mix up matters and lead to many complications as to power of command, etc. Of course it is a very difficult problem and it will require many expert brains to solve it. It is not a matter that we can do easily. I know in Lord Curzon's time they started a college at Dehra Dun. They commissioned some cadets there, and they, to the best of my knowledge, had no recognised position. They had the same privileges and pay I would say, but they were not recognised in any special category of a commission,—and when this new rule was brought in 1919 and the King's commission was opened to Indians, their position was recognised and they started their qualifying service from that date. As to the history of the Indian Army, all of you know that the Indian Army was created in 1773 and it has ever since served the British Government with honour and loyalty and has played a great and vital part in extending British rule. The number of British officers in an Indian regiment before the Mutiny was only three, the Commanding Officer, the Adjutant and the Quarter Master. (I say this subject to correction). The Commanding Officer had to decide all important cases of military law, the Quarter Master used to indent for stores, and the Adjutant was in charge of training. All the other power was vested in Indian officers. With the development of the Indian Army and after the Mutiny the quota of British officers gradually increased, so that there were 8 British officers and 16 or 17 Indian officers in 1893 and when I joined the Army the system under which a unit was organized in command of wings was in vogue. Then they introduced the double company system and each double company was commanded by a British officer who had another British officer to assist him.

In the great war the platoon system came into use which deprived
 1 P.M. the Indian officer even of the command of a company and the latter was turned into a platoon commander, while the number of British officers increased to 12, 16 and even sometimes to 28 per unit. When we look at other departments of the Government, such as the Judicial or Civil administration, created much later, we see that Indians have risen in them to the very highest positions and the most responsible posts. However, I do not wish to discuss that point; but I can safely state that the training and the scope of command of the Indians in the Indian Army, Sir, have been all the time curtailed and neglected in the past. I would not say that capable Indian officers were not forthcoming; but they had not been given sufficient scope. The number of Indian candidates that are being sent to England is 10 per annum now. Out of these 8 or 7 may be successful or say the whole 10 are successful. In 20 or 22 years' time, which is the average length of service

[Captain Ajab Khan.]

for an army officer to retire, we shall have only 220 Indian officers in all. With admission at that rate we shall never get beyond 220 Indian officers in the whole of the Indian Army; and therefore I say the number of Indian candidates admitted to Sandhurst every year is very small.

Now the proposal for the establishment of a military college sounds very well in words but very great difficulties have to be overcome before we can give it practical shape; and I would suggest to the Honourable Mr. Burdon and to other Honourable Members that we require a small committee of experts to look into this question very carefully and make recommendations as to what should be done to surmount the various difficulties which stand in the way of it. His Excellency the Commander-in-Chief and everybody else realise that there are difficulties which have to be solved. It is not a question of what suits the interests of Indians alone. Other wider and vested interests have to be looked into also. It will be up to the committee to see whether they can suggest something on the lines of the Indian Civil Service or something else of that kind, requiring military cadets trained in India to go to England for one or two years' training or some other scheme which I am not in a position to suggest now. But they will have to look into the whole question very very carefully and make their recommendations to Government. I think that is the only practical form that could be taken up. I know that the position of the British officer in the Indian Army has been very honourable and he has rightly won and commanded the confidence and esteem of the Indian sepoy. I am sorry to say that I cannot agree with Colonel Crawford when he said that the present establishment of Indian units being 17 Indian officers and 12 British officers, is equally shared by both classes in the officers' grade. I know that the Indian officer holds a very unimportant position and has no say of any importance at all in the internal economy of his unit. He commands a platoon but he cannot get beyond that as things are; whereas the British officer can aspire to and achieve the highest post in the Army. I know that in the great war the Indian officer has done very well and I have seen cases where Indian officers of mature experience have guided young British officers for all practical purposes in the field, although their scope and their power of command was limited. In most cases it is true lack of education stood in their way and they were not able to get any further. I hope the time will come when these men will be able to get on better. As far as the establishment of a military college in India is concerned I have every sympathy with it. At the same time I do not know how the practical difficulties that stand in the way of it can be got over. Sir, if such a committee were appointed, we should be able to solve most of the difficulties. With these remarks, Sir, I close my remarks about the Resolution.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Sir, before I got up, I was thinking whether I should address this House or whether I should address Mr. Burdon, the Army Secretary, or whether I should address His Excellency the Commander-in-Chief, or whether I should address the War Office or His Majesty's Government. (A Voice: "Not the Chair?"). Through the Chair. I am puzzled, Sir, whom to address; I do not know. Now, Mr. Burdon in his speech, which was long, full of phrases, couched in beautiful language, full of caution, full of statesmanship with a little bit of sermonising, never told us from his seat what is the position that he, representing the Government of India, wants to take up with regard to this Resolution. Why does he not frankly tell us—I can

see it from his speech—that he is nobody, and that he cannot do anything? (*His Excellency the Commander-in-Chief: "No."*)

Mr. M. A. Jinnah: He meant that he did. What did he mean? What is the attitude, I want to know definitely, what is the attitude of the Government of India with regard to this question? I want an answer. (*A Voice: "You will have it."*) Either say, as Mr. Burdon did, in 1923 that you cannot do anything or give us a frank answer as to what you can do. This is what Mr. Burdon said. Speaking on the 4th of July 1923, Mr. Burdon said:

"The principal recommendations which remain unfulfilled are as follows:

- (1) The proposal that Indians should be admitted to the commissioned ranks of the Royal Artillery, Royal Engineers and the Royal Air Force.
- (2) The proposal to increase to 25 per cent. of the annual total the number of commissions granted to Indians"—(*this is the important portion*).
- "(3) The proposal to establish an Indian Sandhurst"—(*that is the one with which we are immediately concerned in this Resolution*).

Then what did he say? This is what he said:

"Well, Sir, as my Honourable friend has pointed out, these Resolutions were adopted with the concurrence of the Government of India, and I may say that the proposals were duly laid before His Majesty's Government. But they have not been accepted."

The proposals have been duly laid before His Majesty's Government, but they have not been accepted. That was in July 1923. What does Mr. Burdon say now? What is His Majesty's Government's verdict on this question? We heard nothing. When that Resolution was passed, Mr. Burdon said that it was a mishap. The amendment that was moved was probably a mishap. Now, Sir, I have got the record here. I would particularly draw the attention of the House to the difference between the original Resolution and the amendment which was adopted. I am only reading the portion referring to this particular subject, because there are other things in the Resolution:

"(b) the desirability of establishing in India a military college such as Sandhurst should be kept in view."

So, the Mover of the Resolution was very cautious and I think it would satisfy even the ambition of Colonel Crawford. But some rash Member of the Assembly, not following the wisdom of Colonel Crawford, with which I shall deal very soon, suggested an amendment. The amendment was as follows:

"That as soon as funds be available steps should be taken to establish in India a military college such as Sandhurst and the desirability of establishing in India training and educational institutions for other branches of the army should be steadily kept in view."

The amendment was accepted by the House. And it was after the amendment was accepted and it then became the Resolution, that His Excellency the Commander-in-Chief with full knowledge of that fact, got up and addressed the House and he gave his reasons, with which I do not agree. What he said was:

"For these reasons we accept the Resolution."

His Excellency the Commander-in-Chief: Not the Resolution as amended.

Mr. M. A. Jinnah: Certainly, Sir.

His Excellency the Commander-in-Chief: Certainly not.

Mr. M. A. Jinnah: Well, Sir, then I should advise the Commander-in-Chief to have some legal advice before he gets up. The Commander-in-Chief forgets that the moment the amendment was carried by the House, that was the Resolution. The other went. I dare say that perhaps with the soldierlike attitude of His Excellency—frank, I quite agree—he honestly believed that he was really accepting what was rejected by the House.

But, Sir, now let us really get to this question, the question of establishing an Indian Sandhurst in this country. That is a question which is full of implications of very serious and far-reaching consequences. The first question that arises is this; that, if we are going to establish an Indian Sandhurst, it must by implication be understood that we must have a definite scheme, a scheme for the purpose of reorganising the army, its constitution, its future composition, a scheme which will be a practical workable scheme, which will Indianise the army in the course of a reasonable period. It is no use merely having an Indian Sandhurst idea, because as I say, what is the Indian Sandhurst going to do? (*His Excellency the Commander-in-Chief:* "The foundation of it".) Yes, the foundation of it. Yes, but if you are going merely to train up 10 Indians a year, I am afraid the Indian Sandhurst will be wasted. If it is only going to be established for the purpose of training up 10 Indians a year and out of that 10 a few might be qualified to get King's commissions what is the good of it? And that was Mr. Burdon's argument. This is what Mr. Burdon said: What is the good of having an Indian Sandhurst? I do not want to read the whole of that portion, he will correct me if I am wrong. I am giving the substance of it. He said: What is the good of an Indian Sandhurst if you only want ten men to be trained up? Therefore, Sir, the questions which arise to my mind are these. I do not care who is to be blamed. I do not care who is standing in our way. I do not care whether it is a Secretary or whether it is the War Office or anybody else. I am concerned with the Government. It is no use saying that the Government of India are doing their very best but that the War Office are putting obstacles in their way. It is no use telling me that His Majesty's Government are against it. It is no use telling me that His Majesty's Government are not agreeable. That is no solace, that is no consolation, that is not meeting the point. Do you honestly, I put this question in all seriousness and in all earnestness, do you honestly wish India to take up the defence of her country within a reasonable time? The answer is "Yes." Mr. Burdon says, "We are not inconsistent; we are not negligent." Sir, let me tell you frankly you are something much worse than that. If it was merely negligence, I could forgive you. If it was merely inconsistency I could overlook and forgive you. But let me tell you, and I tell you quite frankly and fearlessly, that the charge against you is that you are not honestly convinced that you should help India to take up the defence of her country. I tell you that it is not merely I who say so, but even sober men who have grown grey, men who have been loyal to the Government of India, men like Sir Krishna Gupta, who have served you, say so too. I would ask the Commander-in-Chief to read his statement in the *Indian Review* of January, 1925. What does he say? He doubts your *bona fides* India doubts your *bona fides*.

His Excellency the Commander-in-Chief: They are wrong.

Mr. M. A. Jinnah: I say they have every justification. You have delayed beyond every reasonable time-limit.

His Excellency the Commander-in-Chief: No.

Mr. M. A. Jinnah: Yes, you have. I may tell you you have. You have not made a real, earnest, honest endeavour to enable the people of India to have a proper training in military matters.

His Excellency the Commander-in-Chief: I think we have.

Mr. M. A. Jinnah: You come here with one excuse or another, and you tell us that there is this difficulty and that, that there is this to be done and that to be done. Colonel Crawford, I think, represents the true mind of the large body of Englishmen. Has there ever been a proposal which we have suggested which was not rash, except perhaps the deputation in which Colonel Crawford joined? That was not rash, I suppose. When have you Englishmen ever agreed with us and said that any proposal that we make is not rash? You say, "It is rash, be cautious". We have been 150 years under this Government. You have deprived the people of India of arms. What have you done?

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

Colonel Crawford says to-day that you have got as against 12 British officers 17 Indian officers. You have got the answer. Here is a testimony of the Honourable Member Captain Ajab Khan. What does he say to you on the floor of this House? Is he an officer or not? He is an officer only in name.

Colonel Crawford: May I explain to the Honourable Member, Sir, that in the British Service, the duties of platoon command are carried out by British officers. I pointed out that is similarly the case in the Indian Army, the higher posts being retained by the British officers and the object was the elimination of the British officers from these higher posts.

Mr. M. A. Jinnah: I say this statement does not meet the point at all. The point that we are concerned with—and Colonel Crawford who has certainly more experience of the army than I do ought to know it perfectly well—is this. As it was pointed out to the Commander-in-Chief during the last budget debate, what we want,—and I am sure His Excellency the Commander-in-Chief understands it perfectly well and I am surprised that Colonel Crawford does not appreciate it, though being himself a Colonel he ought to know more than I do—is this. We have got this problem that to-day the officers in the army, both British and Indian, are Englishmen. Only two or three years ago we were given the concession, as somebody would call it, of holding King's Commissions, and you started it by sending 10 boys to Sandhurst. That was the first time in the history of British India that you granted the King's Commission to a few. To-day the entire army, both Indian and British, is officered by Englishmen. We desire that that should be Indianised. That is the issue. Does not Colonel Crawford understand that? What is the good of drawing a red herring across our path and talking about matters which are not relevant? That is the whole question. Although you may be able to satisfy us that perhaps there is a better method or that there is a difficulty in the way of establishing a Sandhurst in India at present, it

[Mr. M. A. Jinnah.]

may be debatable, it may be arguable, but can we possibly discuss that question or that problem on the floor of this House, can we discuss the scheme on the floor of the House? Is it possible? We can only argue. If the Government wish to get rid of that charge, namely, that they are not quite in earnest, if the Government wish to remove that impression—and I say it is there throughout India, the soberest of men think like that—if you want to remove that impression that you are wanting in *bona fides*, I appeal to you to appoint a committee with comprehensive terms of reference to tackle this question. And you may appeal to the War Office if you like or to His Majesty's Government—I know your proposals will be turned down, but I do not want to mince matters and I want to put the issue clearly that if you wish to satisfy public opinion in India on this question—and it is the most vital question, the most fundamental one, it is the foundation of future responsible government—if you wish really to satisfy public opinion here we are willing to work with you, to associate ourselves with you—for Heaven's sake at once have a proper body constituted that will inquire into this question fully and thoroughly and let us have an honest and straight-forward scheme which will assure the people of India that you honestly desire that Indians should take up the defence of their own country within a reasonable time. Whatever that scheme may be,—whether it may require 20 years, or 10 years, or 100 years I am not concerned with that at present, somebody may say 5 years, somebody may say to-morrow, somebody may say 100 years, I am not concerned with that at this moment—I want my military Commander-in-Chief, my military experts, my politicians and my members of the Civil Service and even Colonel Crawford and Sir Campbell Rhodes who might think otherwise and think that we might be rash, so as to ensure that we should not be rash I should like to have them there. Let them sit together as real well-wishers of India and the Empire and frame a scheme and let that scheme be adopted. I am sure, Sir, that will satisfy India and you will then be able to repudiate the charge and I shall then stand up here again, if I am here, and say as emphatically and as fearlessly that you are acquitted of that charge of want of *bona fides*.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Diwan Bahadur T. Rangachariar: (Madras City: Non-Muhammadan Urban): Sir, I shall be very brief in speaking on this motion. Necessity knows no law. Necessity knows no difficulty, and necessity is also the mother of invention. I am fully alive to the difficulties pointed out by the Honourable Mr. Burdon in the way of establishing a military college like Sandhurst in our country. Sir, we have waited too long in these matters. It is often pointed out that if we want responsible government we cannot have it till we are able to defend ourselves, and if we want facilities for enabling us to defend ourselves we are told that the path is beset with difficulties. So that they are arguing in a vicious circle. There is much truth in the complaint made by the Honourable Mr. Jinnah, at any rate there is the real foundation for the belief in our minds that the Government are not in earnest. I will not say that they are not *bona fide*, but I am sure they are not in earnest in these matters. In 1921 the

atmosphere was quite different. In 1921 when His Excellency the Commander-in-Chief came to this House and said, "I am your humble servant; I am going to carry out your orders and not those of the War Office in England," we were all elated. We were lifted off our feet and we thought really that we had become masters of the situation here. But, Sir, they are mere words. We were in a mood then to co-operate with each other. There was necessity for co-operation both on the part of the Government and on the part of the peoples' representatives here. Unfortunately 1921 has passed and 1925 has come. The Government were reasonable then. We had Mr. Montagu at the head of affairs then. The Government are unreasonable now, that is the real truth of it, the Government at home. And we wish to take full advantage of His Excellency, Lord Rawlinson's sympathies. We do not want to miss the chance; now that His Excellency Lord Rawlinson is here, we want to push on with the scheme, and I am sure that, if it were left to His Excellency, he would be the first to suggest all the remedies for the difficulties which have been pointed out by his lieutenant, the Honourable Mr. Burdon. I am sure Lord Rawlinson will solve those difficulties in no time if he had the mind and if he is permitted. But the question is, if he is permitted? Now, Sir, the people demand that he should be permitted to do that, and we cannot wait, we cannot afford to wait any longer. This is one of those matters in which we should begin at once, whatever the cost. Sir, if for instance you went to the country with a proposal for a direct levy of taxation for this purpose, for the purpose of establishing a military college, assuming our finances do not permit it, I am sure, Sir, the people will return with one voice and say "by all means put on this impost." There will be no uncertain voice in this matter; I can speak with all the authority, with all the knowledge I possess; and speaking in the presence of my countrymen I can assure the House that if really a special tax is put on for this purpose, they would cheerfully meet it. Sir, it is a necessity, as I have said, it is a prime necessity for this country to get on. We cannot afford to wait any longer; and as I said, therefore, this is a matter which must be taken as a thing beyond question. That is, the desirability of establishing a military college must be taken as a proposition about which there can be no dispute. So assuming that as the basis, the next question is, what are we to do in that direction? I quite recognize that there are various questions, complicated questions, to be gone into before you can establish a military college. It cannot be done in a day, and it cannot be done by one mind. You want expert assistance, you want the assistance of politically-minded people, you want the assistance of other people, financial experts also, so that, Sir, this comprehensive scheme is needed for the purpose and that can be evolved only by a competent Committee, and I therefore, Sir, move the amendment which stands in my name, which runs as follows:

"That for the words in the original Resolution 'and the necessary amount be sanctioned to start the preliminary work' the following be substituted:

'and that for that purpose a Committee including non-official Indians be immediately appointed for investigating and reporting upon a comprehensive scheme including the financial commitments involved therein'."

As amended, Sir, the Resolution will run as follows:

"This Assembly recommends to the Governor General in Council that early steps be taken for starting a well equipped Military College in a suitable locality to train Indians for the commissioned ranks in the Indian Army Service and that for that purpose a Committee including non-official Indians be immediately appointed for investigating and reporting upon a comprehensive scheme including the financial commitments involved therein."

[Diwan Bahadur T. Rangachariar.]

So that the purpose for which the Committee is appointed is confined solely to the purpose of establishing a military college, and for that purpose only the Committee is needed in order to advise upon a proper scheme.

Mr. M. A. Jinnah: As to the nature of the building? What sort of a building? What will the Committee do?

Diwan Bahadur T. Rangachariar: The Committee will examine what expert service is required and all the various other matters in order to establish a military college, what course of instruction will be needed here, how it is to be staffed, whether the whole instruction should be here or should embrace a further course in Sandhurst and various other matters—I mean it is really impossible to specify all the details which the Committee can go into—and probably also where it is to be located, which will be the central position, and various other matters. The principle is accepted in the Resolution that a military college should be established. What the preliminary training ought to be, what the course of training ought to be, all these are matters of detail—of sufficiently important detail—which will have to be investigated by a Committee. I therefore, Sir, move this amendment. I have mentioned there “including non-official Indians.” I have not specified there that they should be non-official Indian Members of the Legislature. I am sure the Government will take care to include non-official Indian Members of the Indian Legislature when they appoint a committee, although I have not specified it. I did not want to confine the scope of the selection only to Members of the Legislature. There may be other competent non-officials outside the Legislature. I wanted Government to have the opportunity to appoint such competent men. That is why I have made it so wide. I therefore think that the time has come for the Government to take earnest steps in this matter. It will not do for them to say: “We were not quite sure what we were doing in 1921.” Whatever they may have been doing in 1921, whether really they meant all that they said, it does not matter to us. But what does matter to us is what steps you are going to take in order to establish the college.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban): Sir, the Resolution before the House is one on which there can be no two opinions so far as the Indian public is concerned. The whole of India—and I am speaking of Indian India—is solidly in favour of the proposition. The fact is there and no amount of reasoning can shut our eyes to it. I have heard to-day a very strong case attempted to be made out by my friend the Honourable Mr. Burdon. I have heard also the very warm appeal made by my friend Pandit Madan Mohan Malaviya. I have listened to the cold reasoning of my friend Sir Sivaswamy Aiyer and I have also heard the very powerful indictment of the Government of India by my friend Mr. Jinnah (Hear, hear.) If, Sir, everyone of us, the Indian element in this House, were to be given a chance to say a few words, I have not the least doubt in my mind that they will all echo the same feeling. Now, as for the speech of Colonel Crawford, I was wondering what was the case that my gallant friend was trying to make out. He was probably fighting a shadow. He has no doubt fought many substantial enemies in the past, but to-day I am bound to say that it was nothing but a shadow that he was fighting. He was forgetting that we are not asking that the Indian Army should be officered by Indians all at once.

He was complaining that what Indians want is training and training of a special character which befits the British officer to lead an army. What is it that we are asking for? We are asking just for a training ground, just for an opportunity to bring up our young men in the same manner as English officers are brought up. And how are we to get it? Sir, only the other day as to one proposition which was before the House, namely, the establishment of a Supreme Court, I committed myself to the opinion that the time for that will be when we have responsible government. But there are questions and questions. This is a matter in which we cannot wait for a single moment. We are unfit to defend our country and therefore there is no responsible government. Why are we unfit to defend our country? Because there is no responsible government. It is a vicious circle. Unless the two things go on together and unless we begin to qualify ourselves to defend our country at the earliest possible opportunity, the argument will hold good for ages to come. Not that it is disputed by anybody that the time has not come for us to prepare to defend our country. It is only the method, it is only the procedure, it is only the manner in which all the difference lies. Now, whatever may be said by the Government or their apologists, the fact cannot be burked that it is the Government and the Government alone which is to blame for the present state of things. Why are we not ready? Because you came in our way. You did not permit us to be ready. You disarmed us and then you did not afford sufficient opportunity for the young men of the country to train themselves for the army. Now that it is past high time it is said that there are difficulties in the way. But who has created those difficulties? I have not the least hesitation in saying that they are all of your own making. If you had only begun in time, to-day it would have been possible, after 150 years, to man all the officers of the Indian army by Indians. (*A Voice*: "Then where would the British Empire go!") That is just the difficulty. But surely there are friends like my Honourable friend Pandit Madan Mohan Malaviya, who say that we will be proud to continue the present connection with England for all time to come. I am not of that opinion. Not that I am against keeping up the connection between England and India, but that it should be on very different terms to what obtains at present. There has been a suggestion made by my friend Mr. Jinnah and a formal amendment moved by my friend Mr. Rangachariar.

Mr. M. A. Jinnah: May I rise to a point of explanation, Sir. My suggestion is totally different from . . .

Pandit Motilal Nehru: That is what I was going to explain. My friend Mr. Jinnah need not anticipate me. I was just going to say the very thing he stood up to explain. There is a vast difference between the suggestion of Mr. Jinnah and the formal amendment which has been proposed by my friend Mr. Rangachariar and I may at once say that I thoroughly agree with Mr. Jinnah. Resolutions, Sir, are moved in this House. They are either carried or defeated. Even if carried, they occupy no higher place than those which have been defeated because the Government do not usually act upon them. But in this case a formal Resolution has actually been accepted by the Government and yet we find that no definite steps have been taken up to this day. On the contrary, what has happened is that the acceptance of that Resolution has been conveniently forgotten as has been shown by Mr. Jinnah. But what I would submit to the House is this, that the mere carrying of this Resolution will not help to carry us

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far. As far as I have been able to understand my friend Mr. Burdon, I feel that he at least has an honest and sincere desire to see that definite steps are taken in order to make it a practical proposition and not merely a Resolution which would be passed by this House and then forgotten. I think, if I have been able to understand my friend Mr. Jinnah correctly, his view was not merely that this Resolution should be adopted by this House and accepted by the Government of India, but that the Government should at once proceed to act upon it by taking steps to formulate a scheme with the assistance of some Members of this House, and of expert advice, and I would add, by a visit to the various training colleges, Sandhurst and others if necessary. If the Government will accede to that suggestion and thus put a practical shape to the proposition, I think it would be far better than merely carrying this proposition by a majority of our votes. I do hope, Sir, that His Excellency the Commander-in-Chief will see his way to accept the principle of the Resolution, and to go further and appoint, or at least allow this House to appoint, a committee which, in collaboration with experts, would draw up a scheme of what is possible in the present circumstances in order to make a beginning. For the rest, I submit, Sir, that the argument on the Government side comes to this: because you get far better training in Sandhurst, therefore it is not advisable to have it here on the ground of expense and other things. If that argument were to hold good and be carried to its logical end the result would be that we would have to shut up all our colleges and universities because undoubtedly the training now given in the English colleges and universities is far superior to what we get here. But it would be absurd to suggest such a thing. We want to make a beginning in our country under the circumstances in which we live. My friend Sir Sivaswamy Aiyer said that we can have everything here except the atmosphere. I say we can also have the proper atmosphere for a military career. The example of Japan was given. What has Japan done? My friend Sir Hari Singh Gour put a very pertinent question to Colonel Crawford when he was talking of the indispensability of an English training. He asked "What about Japan?" but the gallant Colonel did not give a reply. Of course they did not all receive their training at Sandhurst, nor did they qualify themselves anywhere else in England. There are many nations in the world whose armies are officered by their own nationals and not by Englishmen, or men who have been trained in Sandhurst. The only difference is that in other countries they have their own Government; they evolve their own schemes; they import persons with expert knowledge and do all that is needed. We are helpless and therefore we cannot get on unless this Resolution meets with the acceptance of the Government of India and His Excellency the Commander-in-Chief takes the interest for which my friend Mr. Rangachariar has appealed to him. I therefore would suggest, Sir, that the Government will be pleased and His Excellency the Commander-in-Chief will be good enough to see eye to eye with this House, and the whole country, and give due weight to public opinion on this very essential and vital question. That can only be done by facilitating the training of Indians for a military career in their own country. It may be that under exceptional circumstances and for certain high posts a special training in England may be considered necessary. To that I do not think there can be any objection, but a beginning must be made in the country itself. We must have our young men to look up to an institution where they can look forward to a brilliant military career.

I need not take up the time of the House as to the argument of my Honourable friend Colonel Crawford about martial races not being educated enough and non-martial races being better educated. Sir, the distinction between martial and non-martial races is fast disappearing and as soon as there is an opening in this country for a military career you will find that even the non-martial races will flock to the college in such numbers that you will be surprised. They will be found in every way to be fit for a military career. (*Colonel J. D. Crawford*: "But will they stay?") What reason have you for saying they will not stay. Who are after all the martial races? It is surely not the caste system by which we are to be guided. It is not that a Brahmin is only a priest. You have got your 1st Brahmans. You have got the Baswara Brahmans. (*Mr. K. C. Neogy*: "Even the Bengali Regiment".) Yes, even the Bengali regiment. All the talk about martial and non-martial races is ancient history that will not hold water now.

Nawab Sir Sahibzada Abdul Qaiyum (North-West Frontier Province: Nominated Non-Official): What Colonel Crawford said was what prevents those classes from going to Sandhurst.

Pandit Motilal Nehru: He did not say that. What I understood Colonel Crawford to mean was that general education was lacking in the martial classes and officers must have a ground-work of general education before they can be given expert and technical education in military affairs. But I say that is not the case. I say that among those who have a grounding of general education you will find martial people and martial races; and that there does not exist any sharp line of cleavage between non-martial and martial races in India.

We may spend the whole of to-day and to-morrow also if we like on this Resolution. There will be any amount of good argument forthcoming from the side of the Indian section of this House and there will be any amount of excuses on the other side. The question has been discussed threadbare in the country. As I have said, you cannot convince us that there are such difficulties in your way that you cannot overcome them. We claim that we have succeeded in convincing you that those difficulties are nothing compared to the advantages which are bound to accrue not only to India but to England as well. For these reasons, Sir, I support this Resolution and I again appeal to His Excellency the Commander-in-Chief to accept it in principle, and not only to accept it in principle but accompany his acceptance by something definite and something substantial in the way of actually framing a scheme which would lead to the establishment of a military college in India in the near future.

Colonel Sir Henry Stanyon (United Provinces: European): Sir, I propose to address myself to a point on which the learned Pandit who last spoke complained that no answer had been given to the contention put forward by Pandit Madan Mohan Malaviya. It was said that if Japan could build up an army such as she did build up in 20 years, and if the Colonies could have their own military colleges, why should not India do the same? Sir, this argument, in my humble opinion, overlooks facts in a way that is very common when analogies are drawn. Japan is, and has been, for centuries a homogeneous nation—one in language, one in religion and one in atmosphere. Colonies offer no analogy whatsoever. They are the Local Governments of the settlers of one race and their descendants.

Pandit Madan Mohan Malaviya: What about Canada, France and England?

Colonel Sir Henry Stanyon: Where in Japan or the Colonies is there that congeries of races, castes, creeds and languages which we find in India? It is no good blinking these facts. One has got to face them. That is the only way we can meet the difficulties which arise out of them. In Japan you have a trust between man and man, a patriotic adhesion for national progress which must succeed wherever it is backed up by the necessary courage and character. Now, Sir, in India all the necessary courage and, in many cases, the character are present. But where is that trust between man and man without which there can be no Commonwealth?

Mr. A. Rangaswamy Iyengar: What about the sepoys?

Colonel Sir Henry Stanyon: Forces of disruption and disintegration abound. The country labours under the disease of communal suspicion. All honour to the educated leaders who are now trying, and have been trying for years, to overcome this evil. But until their teaching works down to the millions who constitute the population of India, until a general spirit of working for the common rather than for the communal weal is established, India cannot hope to emulate the achievements of Japan. It cannot hope to have established an Indian national army any more than it can hope for Swaraj. (*A Voice*: "Bravo"; and ironical cheers from the Swarajist benches). What Japan did in 20 years, India, if left to herself as she is now, would not achieve in 200 years. (Ironical cheers from the Swarajist benches.) (*A Voice*: "Thanks to the present condition of India".) But it is just here that the Englishman in India can find his place and help to discharge the trust which he has laid on himself, provided he gets some measure of trust and of genuine co-operation from his Indian fellow-subjects. With British and Indian co-operation, even in the present conditions, there is no reason whatever why, in a reasonably brief space of time, the high, noble and commendable aspirations of my esteemed friend, Pandit Madan Mohan Malaviya, should not be achieved. (*Voices*: "Do you fix the time?") My friends, Sir, make a mistake, I think,—I say it with all respect to them,—they make a mistake in scoffing at the smallness of the beginning that has been made at Dehra Dun. The largest oak that ever grew started as an acorn. I have personally, in common with other Members, though I went alone, visited the Dehra Dun College, and, owing to the kindness and courtesy of Colonel Houghton, I saw every part of it, including some of the cadets; and I realised that in that College Indian lads were being trained in character and discipline and ideals in a manner which, before that visit, I did not consider possible. The College deserves the admiration and support of every true Indian, and I hope that Government will so far sympathise with the proposal now made as to consider the early enlargement of that institution. May it be remembered one day as the cradle of a united Indian people of high ideals, character and discipline—of a people able to govern themselves and to defend themselves against foreign aggression. I am bound to confess that such accusations as Mr. Jinnah was pleased to hurl against Englishmen in general and the Government in particular do not invite or encourage a sympathetic attitude towards the cause he advocates. (*Mr. M. A. Jinnah*: "I don't want sympathy; I want justice.") But we must think only of the cause, and do what we can to save it from its friends. *Mr. Jinnah* laid a charge

of dishonesty, of want of *bona fides* against Englishmen generally. Let him first be honest to himself. His whole argument rested on a false foundation—"We demand this", "the country, the people want that", and so on. If Mr. Jinnah was able to speak on behalf of a united people, if there existed such a nation as he imagined for the sake of his argument, his contentions would be unanswerable. But he knows, as we know, that he has built up a superstructure which has no foundation. Let us take a practical view of the proposal before the House. Let us assume that an Indian Sandhurst had been started, beginning with an English staff as suggested by Pandit Madan Mohan Malaviya. I wonder how long it would be before a majority in this House would insist on a complete indianisation of that staff. Then, let us go on until we find ourselves with Indian units commanded by Indian officers. Can my friends honestly and seriously think that communal differences and caste jealousies would then disappear? How long would it be before battalions which were started shoulder to shoulder found themselves face to face in opposite camps? Sir, I am no pessimist. I know of what Indians are capable, even without European leading. I remember with pride—and who can ever forget?—what a small handful of Sikhs did at Wana a few years ago. (*A Voice*: "Guru-kabagh.") But the people of India are handicapped by that constant struggle of class against class, that habit of distrust between man and man with which the country is honeycombed. It is our duty, despite distrust misrepresentation and calumny, to try and promote that unity for which Mahatma Gandhi has prayed and fasted and which we all desire. One step is the training up of character in the youth of the country,—to teach that youth habits of mutual trust and manliness, of belief in motives and purposes which will rise above racial and communal jealousies and suspicions: so that, we may have a building up of a national army side by side, as it were with the nation which it is to serve. I think the amendment of my friend Diwan Bahadur Rangachariar has much to recommend it, but he narrows down the composition of the committee to non-experts and he unduly limits the scope of the committee's functions.

Diwan Bahadur T. Rangachariar: How do I do so?

Colonel Sir Henry Stanyon: I think the matter is one for a competent Committee with power to examine the whole subject in its administrative as well as its purely financial aspect, and I recommend that suggestion to the Government.

His Excellency the Commander-in-Chief: Sir, I have listened during this debate to some extremely interesting and in some respects illuminating speeches. The subject of the Resolution has been spread by Honourable Members who have spoken over a very wide field. Many speakers have entered into the intricacies and the details and the general question of the Indianization of the Army as a whole. I do not think that that is really part and parcel of the Resolution as put forward by the proposer and as included in the amendment which has been proposed by Mr. Rangachariar. I do not, therefore, think it necessary for me to deal with that larger and wider question, for there will be other opportunities of dealing with it later on, and I propose to confine myself more to the specific Resolution which has been placed before the House. I have noticed in several speeches, however, a reference both to the system which now prevails in the Dominions and to what has been accomplished by Japan in respect of her military re-organisation. At one time it was my business to study

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that organisation in Japan and to see how it had been brought about. The speaker who has just sat down has already, I think, given the House a complete answer to any comparison which is possible, or rather I would say impossible, between this country and Japan . . .

Pandit Shamlal Nehru: I hope Your Excellency does not agree with Sir Henry Stanyon on other points.

His Excellency the Commander-in-Chief: . . . and more than that I do not propose to say. I do rather resent the attitude, I might almost say the accusation, that has been made against the Government and to some extent against me personally by Mr. Jinnah.

Mr. M. A. Jinnah: Sir, may I explain that it was no personal accusation at all? But I do maintain my charge against those who are responsible for the government of this country.

His Excellency the Commander-in-Chief: He insinuated . . .

Mr. M. A. Jinnah: Not personally.

His Excellency the Commander-in-Chief: He insinuated that the Government, since those Resolutions in 1921 and 1923 that have been referred to, have done nothing in this direction. That is wrong and I think I ought to tell the House that this question of an Indian Sandhurst, which of course is very intimately connected as the basis of any plan of Indianization, has been receiving our very closest attention since those Resolutions were passed. If I may take the actual wording of the Resolution, it says:

" . . . early steps be taken for starting a well equipped Military College in a suitable locality to train Indians for the commissioned ranks in the Indian Army Service and the necessary amount be sanctioned to start the preliminary work."

I might almost say that that has been done. Perhaps the House has not heard of an institution, which is in embryo I admit, called the Kitchener College of which the Prince of Wales laid the foundation stone when he came out here and concerning which all the necessary preliminaries have been undertaken and settled with very great care by myself and my assistants—a College the strength of which, the organisation of which, the site of which, and the cost of which have already been agreed to, and which, so far as this Resolution is concerned, fulfils what the proposer claims. Now, this College as a memorial to my distinguished predecessor will cater for the sons of soldiers, officers, non-commissioned officers and men as a fitting memorial to that great Field-Marshal. It will train them for a period of years and it will enable them to obtain commissions in the Indian army but they will not be King's commissions. They will serve in the ranks for a period and rise to commissions which will be either Viceroy's commissions or Dominion commissions as the case may be, and that College, so far as the terms of this Resolution are concerned, will fulfil what the proposer wants. But I know that at the back of his mind this is not what he wishes or what the House intends and therefore I do not pretend that the Kitchener college fulfils the requirements which are at the back of the minds of Honourable Members. They want a college which is going to produce Indians with King's Commissions in this country to officer the Indian army. (*Mr. M. A. Jinnah:* "That is what the Resolution says.")

There is nothing about the King's Commission. You read it again. (Mr. M. A. Jinnah: "Commissioned ranks in the Indian Army".) I think one speaker in referring to the King's Commission was a little doubtful as to whether it was really sufficiently important that these officers should be given King's Commissions. Personally, I look upon it as of the highest importance, and one of the main reasons, if not the main reason, why I am reluctant to see an Indian Sandhurst established too soon for I want to pass as many young Indians as possible through the Sandhurst in England, and get them King's Commissions in the Army, so as to form an adequate nucleus of the future Indianised army. If you institute a Sandhurst in this country too soon you will not have a sufficient number of officers who passed through the home Sandhurst to form a satisfactory basis on which to build your Indianised army and it is for that reason that I counsel delay. An amendment has been proposed to this Resolution. That amendment I can almost—I will not say quite—accept. On the paper there is another amendment. Unfortunately, the proposer of that amendment has not put it forward. To me it is preferable to the amendment that has been put forward and I do not know whether I should be in order if I were to take the amendment that has been put forward in the name of Sir Sivaswamy Aiyer and propose it myself. At any rate that amendment is more acceptable to me than the amendment that has been put forward and, if Sir Sivaswamy likes to introduce it, I shall be prepared to accept it. There is one point with reference to the Resolution to which I ought to refer. That is that early steps be taken for starting a well-equipped college. Early steps is a somewhat indefinite term especially when you come to consider the complications and the difficulties of this really serious and important problem. I am quite prepared to accept a committee on the lines that have been proposed or that might have been proposed by Sir Sivaswamy Aiyar. Let them set to work at once to examine this problem and to advise us. The Government will submit to them all the evidence that it is possible to get on this subject and a committee somewhat on the lines of a committee that recently sat in connection with the Auxiliary and Territorial Forces (the report of which will shortly be in the hands of Honourable Members) is what I have in mind and is what I am prepared to accept. I feel every sympathy with the views that have been expressed with regard to the creation of this college and I want to help you and I want you to help me to solve this intricate, difficult and important problem.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadian Rural): His Excellency the Commander-in-Chief has expressed his general sympathy with the Resolution of my Honourable friend Mr. Venkatapatiraju. I have one or two difficulties in understanding the exact position and I wish to place certain considerations before this House so that the issues may be clarified. His Excellency has expressed his preference to the amendment which stood in the name of my Honourable friend Sir Sivaswamy Aiyer. The difficulty about that amendment is that if that is adopted, we shall be going back on the position that has been established on the two previous occasions on which this subject came up for consideration in the House. I may perhaps invite His Excellency the Commander-in-Chief's attention to the proceedings of this House on the 4th July 1923. The amendment that was proposed on that occasion (and that was accepted by the Government) was that the first favourable opportunity should be taken of

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representing once more to His Majesty's Government the necessity and the desirability of giving effect as soon as circumstances render it practicable and advisable to do so to the Resolutions 7, 8, 9 and 12 of the Legislative Assembly passed on the 28th March 1921. Honourable Members will see that, so far as this House was concerned, the Resolution that was adopted in July 1923 asserted that representations should be made once more to His Majesty's Government that an Indian Sandhurst should be established. That being so, we are not prepared to deviate from the position that has been taken up on the two previous occasions and that is the difficulty which is felt in regard to my Honourable friend Sir Sivaswamy's amendment which would leave this question open again for consideration.

Well, Sir, that is the first point that I should like to bring to His Excellency's notice. In regard to the general question the Commander-in-Chief has really evaded the question of the Indianization of the army as a whole. Sir, this has a great bearing on this question of the establishment of a military college in this country on the lines of Sandhurst. Honourable Members will see that Mr. Burdon's position was that at present only 10 commissions are open to Indians in this country and provision has been made in the College at Sandhurst for the training of this number, and if a Sandhurst is established in this country the number of commissions that are now available are so small the opportunities for training would be so few that the cost of the whole show would be much greater than it would be if the number was larger. That is the position to which I should like attention to be drawn so that the Commander-in-Chief may be in a position to see the bearing, the relevancy of the wider question being brought under consideration. I would like to ask Mr. Burdon and His Excellency the Commander-in-Chief if an Indian Sandhurst is to be established in this country what would be the number of men available for training. Unless you decide that larger question of policy and increase the number of cadets the objection that Mr. Burdon has taken will remain. Therefore, Sir, the mere acceptance either of this amendment or of the Resolution as originally proposed would not solve this question, and if only 10 commissions are made available Mr. Burdon's objection will not have been taken away.

Sir, the second point with reference to this question is that it is assumed that provision for satisfactory training of a larger number of Indian cadets would be available in the United Kingdom. Sir, I had something to do with a committee which went round all the Universities in 1922. On that occasion we brought under review the conditions under which Indian students are receiving education at present at the various Universities, and one of the questions that was specifically referred to us was as to what provision could be made in the United Kingdom for the training of Indians in the nautical colleges in that country. We had to go into this question and we found that it was impossible to secure suitable training in the nautical training colleges in the United Kingdom on various grounds. For one thing it was said that the colleges are not open to anybody except subjects of His Majesty born in the United Kingdom. Similarly, the question of facilities for University education was also a subject for our consideration. In regard to University students, the general position was that the Universities in Great Britain expressed the

opinion, and it was so stated by Sir Theodore Morrison, that they could only absorb a certain number of foreign students. I should like to quote his words:

"I beg the committee to realize that no University can absorb more than a limited and rather a small number of foreign students. A University is a corporate body with traditions of a certain characteristic tone. It has a personality of its own and this personality would be destroyed or distorted by the influx of a large number of strangers, and no University will tolerate this transformation."

May I ask His Excellency the Commander-in-Chief whether Sandhurst will tolerate any more Indians than ten? What assurance have His Majesty's Government given him on this score? Is there any assurance that the training institutions in the United Kingdom, Woolwich for instance, would receive any student at all and that Sandhurst would receive more than ten students per annum? On that point, Sir, we have had no assurance whatever; and from this point of view it seems to me, Sir, that the decision which has been reached by the Lytton Committee, namely, that the training and educational facilities should be developed in this country solely from the point of the needs of this country is the soundest view that could have been come to in regard to this matter.

His Excellency the Commander-in-Chief: I might perhaps answer that at once, Sir, to save time. When you speak of "assurance", I have nothing in black and white; but I have discussed the question with the authorities both at Sandhurst and with the General Staff at the War Office, and both are prepared to accept more Indians.

Diwan Bahadur M. Ramachandra Rao: How many, Sir?

His Excellency the Commander-in-Chief: I did not discuss any actual numbers, but considerably more than go at present.

Diwan Bahadur M. Ramachandra Rao: When we come to discuss the matter in detail, I feel that difficulties would be urged that more Indians cannot be taken.

His Excellency the Commander-in-Chief: I do not agree to that. I do not think you will find that difficulty. I have discussed the matter with the authorities. They are not at all antagonistic in the way the University authorities are.

Diwan Bahadur M. Ramachandra Rao: Is the opinion in the University circles in this matter different from the military circles.

His Excellency the Commander-in-Chief: That is quite right; it is quite a different circle. And we know that at present they are favourably disposed towards it. We had better wait and see.

The Honourable Sir Bhupendra Nath Mitra: The circumstances are different.

Diwan Bahadur M. Ramachandra Rao: Whatever that may be, I think, Sir, that this question of the education of those who wish to have

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a military career must be considered from the point of view of the requirements of this country, and unless some such steps are taken as is proposed in this Resolution, I do not think, Sir, we shall really be advancing the position any further. Sir, in regard to the scheme of self-government for this country, at the last debate in March last Sir Malcolm Hailey made a great deal of the fact that we are not as yet prepared to take the defence of this country on our shoulders, but when we come forward with proposals for giving us opportunities for the establishment of institutions for training, all kinds of difficulties are pointed out. Therefore, Sir, I think there is a good deal to be said for the consideration of the wider problem which has been raised by my friend, Mr. Jinnah, and which received the support of my Honourable friend, Sir Henry Stanyon. As soon as you make up your mind once for all to see that this question is placed on a sound footing, as my Honourable friend explained—it may be 10 years, or 12 years, or 15 years, or 25 years or 30 years—you will be in a position to see how the necessary requirements for the education of those who wish to have a military career can be placed on a satisfactory footing. Unless some such thing is done, the mere acceptance of this Resolution will not take the case much further than it is now. I do not however wish to minimise the difficulties of the situation.

The Honourable Sir Alexander Muddiman (Home Member): Sir, with your permission I beg to move the following amendment:

“That the following be substituted for the original Resolution :

‘This Assembly recommends to the Governor General in Council that a Committee including Indian Members of the Legislature be immediately appointed to investigate and report :

- (a) whether it is not practicable to establish a military college in India to train Indian officers for the commissioned ranks of the Indian Army;
- (b) if so, how soon should the scheme be initiated and what steps should be taken to carry it out; and
- (c) whether if a military college is established in India it should supersede or be supplemented by Sandhurst and Woolwich so far as the training of Indian officers is concerned’.”

An Honourable Member: Will you kindly read the first part again?

The Honourable Sir Alexander Muddiman: It is in fact an amendment which is already on the paper—Sir Sivaswamy Aiyer's. Sir, I must apologise for stealing my Honourable friend's thunder but as he will not move his amendment, I am moving it. I am very much struck by one note in this debate, Sir, and I think it is a note which I am sure will be very carefully borne in mind in future discussions of constitutional questions, and it is this, that one of the most important things for those who look forward to self-government and self-governing institutions in this country is the provision of an army for India itself. Mr. Jinnah brought that forward very strongly. It has however been suggested by him, and His Excellency the Commander-in-Chief has repudiated the suggestion, that the Government of India are not wholehearted in this matter, that they are playing with the House, that they have no desire to help, that they are really obstructing, and that they are not taking the matter seriously. Sir, it is a very grave charge. It amounts to this that we repeatedly say things which we do not mean. His Excellency has repudiated that, and his real earnestness

is well established by what has already been done. I should deprecate the House catching hold of straws, alleged pledges, when the substance is offered to them, and I suggest that the amendment that I have brought before the House makes a practical step forward. It gives you a Committee to investigate these matters, which you have very greatly at heart, which are fundamental, as I agree, and which must necessarily precede advance in the direction which you have so much at heart. On the technical side of the matter you will not expect me to express an opinion. That has been fully stated by the speakers who are properly advised of the circumstances which are germane to these military institutions. I am not saying whether an Indian Sandhurst is a good thing or not. I am not competent to express an opinion. You have professional advisers on that. But this Committee, I submit, should satisfy Mr. Jinnah and those who have spoken on that side. I do advise the House very earnestly to accept the proposal that I have made. Sir, I move the amendment.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): May I know whether the words "commissioned ranks" again do not introduce, Sir, the difficulty which His Excellency the Commander-in-Chief mentioned, namely, His Majesty's commissions, or commissions in this country?

His Excellency the Commander-in-Chief: That is what they will consider.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Sir, the amendment that the Honourable the Home Member has moved has, in my opinion, created a new situation. Sir, I am not speaking on behalf of my party, but I am speaking for myself when I say that it has certainly created a new situation, a situation different from the one which was developed by my esteemed friend, Sir Henry Stanyon. The position that he took up was the position which perhaps the *Statesman* of Calcutta took up in the year 1913. I thought, Sir, that the Government would not take up that attitude, and I am glad, Sir, that the position of the Honourable the Home Member is certainly different from the position of Sir Henry Stanyon, and I shall tell you presently how the position is different. Here you are prepared to explore fresh avenues. You are prepared to take practical steps to inquire into the conditions to establish a military college; but, Sir, according to Sir Henry Stanyon there is no kind of analogy between India and the colonies. Fur coats are very good for Canada, but I do not think fur coats are very bad for my constituency. I come, Sir, from Rohilkund, which is a very big constituency, and a much smaller and colder constituency, Kumaon. These two divisions, especially the Kumaon Division, had sent the best of soldiers to the war. I think they are as brave, as heroic, as capable of venturing and sacrificing as any race that may be called martial or as any powerful martial race in any part of the world. The Government know the record of the soldiers of Kumaon. There are also other martial races in India and they have also educated men who could fight. My friend, Colonel Crawford, did not appreciate that fact because he is ill-informed. He does not know that there are several educated men among the martial people in Kumaon. Kumaon is one of the most advanced Divisions in the United Provinces consisting of

[Mr. C. S. Ranga Iyer.]

educated people, very brave people, and very hardy people. They live in the Himalayas braving the inclemency of the weather and they have also braved the difficulties of a very difficult war.

Sir Henry Stanyon was telling us: How can we face these facts, facts of communal differences, facts of caste differences, and so on and so forth. We faced them during the war and I shall make a present to Sir Henry Stanyon of the observations of the Montagu-Chelmsford report. What do they say as to how we faced those facts? They say that we faced them remarkably well. I shall quote the words. "The war was not yet over." (They were writing it in the middle of the war.) "It had reached a stage when India put forth all her strength in the struggle." Everybody has recognised that India gave her best in the circumstances which overwhelmed the feelings of Englishmen in England but has not perhaps opened the vision of my Honourable friend from Lucknow. It has been recognised by everybody that India put forth all her strength in the war. And the Report further says:

"The Government of India is anxiously devoting its attention to the best means of putting forth the maximum strength of the country with the co-operation of the Indian people."

I would ask Sir Henry to read the report.

Sir Henry Stanyon was talking of trust and co-operation. Sir, we gave you co-operation during the war. We gave you trust. We did not take advantage of your calamity. We did not say, "Your calamity is our opportunity." What did Mahatma Gandhi do? He, a believer in non-violence, was finding recruits for you. Such were the facts. Is it fair, therefore, on the part of a responsible Member coming to this House and saying, "You must give us trust; you must give us co-operation." We gave you co-operation for many years. You had our entire trust. For the last 150 years you had the entire co-operation of Indians. But how many Indian officers are there in the army to-day? Was it not Lord Hardinge who said: India was bled white, white of British and Indian soldiers during the war? Was it not the time for us to create a revolution: if we wanted to create a revolution? Revolutionaries were there in India then, but what did the revolutionaries do? I know, Sir, that revolutionaries preferred to enroll themselves. They went to the war. They gave their best blood, for what, for saving democracy for the world. It was said that the war was fought to make the world safe for democracy. But we know from what Sir Henry Stanyon has said that the war was fought to consolidate English autocracy in India. If that is the position that you take, there can be no kind of union. But fortunately, Sir, the amendment develops a new situation.

Mr. President: If the Honourable Member will address himself to the new situation, it will not be necessary for me to save the debate from irrelevance.

Mr. C. S. Ranga Iyer: With due respect to you, Sir, I thought, in view of the observations made by Sir Henry Stanyon, it was necessary to explain the difference between that impossible position and the position that the amendment creates. Confining myself at present to this amendment, I must say there is one fundamental difficulty in the

acceptance of this amendment, which would be very easily removed by the leaders of both sides putting their heads together. The amendment says that a committee should investigate and report:

"(a) whether it is not practicable (I emphasise this) to establish a military college in India to train Indian officers for the non-commissioned ranks of the Indian Army;

(b) if so, how soon should the scheme be initiated and what steps should be taken to carry it out; and

(c) whether if a military college is established in India it should supersede or be supplemented by Sandhurst and Woolwich so far as the training of Indian officers is concerned."

This amendment unfortunately wants only a mere investigation and a report on "whether it is practicable", etc. I want something more practical. Further it does not specify how long the investigation is to take, when the report will be published, and whom and what number the committee is to consist of. I do not see why it should not specify the steps that should be taken for the establishment of a military college. I know the amendment contemplates an inquiry whether Sandhurst should be supplemented or superseded. I think, Sir, that this matter must enlist the most careful consideration of this House, for the Government appear to be prepared to depart from a position from which they have been so unwilling to depart, and when they are breaking new ground, when they are trying to solve a difficult problem, it may not be possible for us to get an amendment to our entire satisfaction. Therefore I want the House carefully to consider the matter and try to come to an understanding if it is really possible.

Sardar Bahadur Captain Hira Singh (Punjab: Nominated Non-Official):

Sir I rise to support the amendment moved by the Honourable the Home Member. Sir, a very complete and a very full inquiry into the whole problem of higher military education is most necessary because it must be remembered that this is a matter of very great importance. We do not want to rush the Government, nor do we want to rush ourselves into hasty and ill-considered schemes, for upon the military scheme which is adopted now will depend the whole future of India. The military experts and we cannot afford to make any mistake. I therefore suggest, Sir, for the consideration of the Government and of this House that a large committee, the larger the better, should be appointed to examine the whole question of the higher military training for which this Resolution has been moved. I go further. The following may be added to the amendment:

"That this inquiry should not be confined to India only. The Committee should visit England, France and the continent and examine the system in force there."

I know nothing will beat Sandhurst because it carries the reputation of generations behind it, and nothing will beat the British cadets who also possess several hundred years' traditions behind them. But we may have by this means all the materials before us on which to make recommendations to the Government of India as to what is best suited to India's needs. Sir, I know that this sort of inquiry will cost a lot of money, but my Honourable friend Pandit Madan Mohan Malaviya will no doubt collect and gather the money to meet those expenses.

Pandit Shamlal Nehru: May I inquire, Sir, if the Honourable Member is not satisfied with his present lot?

Sardar Bahadur Captain Hira Singh: Yes, certainly. But this is a matter of great importance and I commend my suggestion to His Excellency and the House for their consideration. With these remarks, Sir, I support the amendment.

Mr. V. J. Patel (Bombay City: Non-Muhammadon Urban): Sir, I rise to oppose the amendment moved by the Honourable the Home Member. As I understand that amendment it means that this Assembly is asked to go back on the position that it had taken up in the years 1921 and 1923. In 1921 this Assembly passed a Resolution recommending the establishment of a military college in India and that Resolution was accepted by Government. Government do not know how to get out of that position now and want the assistance of this Assembly. In 1923 when another Resolution asking Government to urge upon His Majesty's Government the necessity of giving effect to the former Resolution was moved, the Government themselves moved an amendment on somewhat similar lines. This is the amendment which the Government themselves moved:

"That for the words 'urging upon' till the end of the Resolution the following be substituted:

'take the first favourable opportunity of representing once more to His Majesty's Government the necessity and desirability of giving effect as soon as circumstances render it practicable and advisable to do so to those portions of Resolutions Nos. 7, 8, 10 and 11 of the Legislative Assembly passed on the 28th March 1921 which have not yet been carried out'."

Now, Sir, this means that the Government themselves agreed to move His Majesty's Government urging upon them the necessity of giving effect to the Resolution passed in 1921. Government had accepted the Resolution of 1921 and Government had in 1923 by moving this particular amendment themselves accepted the position which the Assembly had recommended in 1921. That being so it is clear that the Government have been committed to the establishment of a military college on the same lines as Sandhurst in India. We do not know whether any action has been taken by Government on the Resolution passed by the Assembly in 1923. My Honourable friend Diwan Bahadur Ramachandra Rao very pertinently asked the Honourable Mr. Burdon to tell this Assembly whether any action has been taken by Government on this Resolution or not. My Honourable friend Mr. Burdon has not yet answered that question. I would once more ask Mr. Burdon if he could say whether any action has been taken on the amendment of Government accepted by this Assembly in 1923 or not. The fact seems to be that the Government now want to get out of the position to which they committed themselves in 1921 and 1923. His Excellency the Commander-in-Chief—no, I think it was the Honourable Mr. Burdon who told us it was the fog end of the day when the Resolution was discussed in 1921 and that Government had not sufficient time to consider the implications of the Resolution. My friend Mr. Jinnah says that perhaps it was a mishap on the part of Government that they accepted this Resolution. But in 1923 what was there? Will Mr. Burdon tell me why Government themselves moved the amendment that they would represent to His Majesty's Government the desirability and necessity of establishing a military college in India. We might put down the first Resolution passed in 1921 to inadvertence, but what about the amendment which Government themselves moved in 1923? The reason why I oppose the amendment of the Honourable the Home Member is quite clear. It is this that, if this amendment is carried, it will put us back. The amendment asks us to go back on the Resolutions which this Assembly accepted.

in 1921 and in 1923. What does the amendment of my Honourable friend the Home Member say? It says that a committee should be appointed to consider "whether it is not practicable to establish a military college". The practicability of establishing a military college, the necessity of establishing a military college, the desirability of establishing a military college has been accepted twice by this Assembly, and now again we are asked to appoint a Committee to go into the question of considering whether it is practicable to establish a military college or not. That means that we have yet to go into that question; the question remains open. But I say that the question is no longer open. It has been twice decided, and we are now asked to give the Government an opportunity of discussing the question as to whether it is practicable to have a military college or not. As a matter of fact, Sir, my own view is, that the Resolution of my friend Mr. Venkatapatiraju is too moderate. If we had our way, we would at once start half a dozen military colleges in this country, because the argument that we are not prepared for self-defence is always thrust into our faces when we ask for more constitutional rights. And if we had the power to do as we liked, the first thing that we would do would be to establish half a dozen military colleges and secure trained and capable experts from Germany, from America, from Belgium and from other countries to teach our youngmen. This is, however, beside the point. My friend Mr. Raju has asked the Government by his Resolution merely to give effect to the Resolutions to which they themselves were a party in 1921 and 1923. My Honourable friend Diwan Bahadur Rangachariar is quite right when he said that the Government have become unreasonable. They were reasonable when they accepted the Resolutions in 1921 and 1923, but for obvious reasons they have now become unreasonable and refuse to abide by their own Resolutions.

His Excellency the Commander-in-Chief was indignant when my friend Mr. Jinnah charged the Government with want of *bona fides*. What does this show? This amendment moved by the Honourable the Home Member clearly proves the want of *bona fides* on the part of Government. And in whom did my friend the Home Member find a supporter to his amendment? He found a supporter in Captain Hira Singh who is always ready to support Government in any matter. Sir, there is no reason to be indignant. The fact is there. Government do not wish to advance a step further. That is the position. They always come out with practical difficulties. Practical difficulties there are always in the world. But where there is a will there is a way. The instance of Japan has been quoted, though my friend Sir Henry Stanyon may not agree with the analogy. Fifty years ago in Japan there were no industries worth the name, there were no railways there, there was no military. But there were the people determined to move on, and there was the Government willing to make the Japanese people a nation. In forty years' time, they did everything. They established their industries, they built their own railways all through, and they have now the best army in the world to-day. That is the position. But here the Government of India do not wish to move on. Once India has an army of its own, then the only excuse of Government to keep their hold on this country disappears. That is the difficulty. If India has got a *national* army ready to defend herself against foreign aggression, her claim to self-government would be unassailable. And if we have our army, then the only course open to you would be to carry out our orders. At present you to what you like because the army is under your control and is not therefore national. We have not got the sanction of an army behind the-

[Mr. V. J. Patel.]

words we use in this Assembly. That is the reason why they do not want to make an advance in this direction. There is absolutely no reason why you should be annoyed when you are charged with want of *bona fides*. There is no doubt that you do not want to give effect to your own Resolution. His Excellency told us that he had accepted the original Resolution and not the amendment that was moved in 1921. That may be true but what about 1923? Will His Excellency tell us what was the position in 1923 when the Government themselves moved an amendment agreeing to move His Majesty's Government to consider the necessity and the desirability of establishing a military college in India? Not only did the Government endorse the Resolution of 1921 but they went further. That was the time when you should have stated that it was a mishap that you accepted the Resolution in 1921. On the contrary you were of opinion that the Resolution must be given effect to and you moved an amendment already referred to by me. You agreed that you would move His Majesty's Government to consider the necessity and the desirability of establishing a military college in India. That is the position. Under the circumstances, I strongly oppose the amendment moved by my friend the Honourable the Home Member. I wish he had not moved it. I am glad my friend Sir Sivaswamy Aiyer did not move that amendment.

Pandit Madan Mohan Malaviya: Sir, I solicit your permission to move another amendment. I move that the words "whether it is not practicable" in (a) of the amendment moved by the Honourable the Home Member should be omitted and the following words substituted in their place: "what steps should be taken". So that (a) will read.

"to investigate and report:

(a) what steps should be taken to establish a military college in India to train Indian officers for the commissioned ranks of the Indian Army."

I move that (b) be omitted altogether. Then (c) will become (b):

"(b) whether if a military college is established in India it should supersede or be supplemented by Sandhurst and Woolwich so far as the training of Indian officers is concerned."

I further move that the following clause be added as (c):

"to advise at what rate Indianisation of the Army shall be accelerated for the purpose of attracting educated Indians to a military career."

The reasons for my amendment, Sir, I will state briefly. As the amendment stands, it says the committee should investigate and report whether it is not practicable to establish a military college. So far as I understand English, that implies that in the opinion of the Mover of the amendment it is practicable to establish a military college in India. When you ask a man to say whether he is not ready to do so and so, that means that you indicate your opinion that he is ready. And the words "whether it is not practicable" cannot have any other meaning in the English language, so far as my humble understanding of it goes, than to imply that in the opinion of the Mover of the amendment it is practicable to establish a military college in India to train Indian officers for the commissioned ranks of the Indian Army. What I suggest therefore is the simplifying of the amendment. After implying that it is practicable to establish a military college it goes on to say, "If so, how soon should the scheme be initiated and what steps should be taken to carry it out". I cut this out because I have substituted "What steps should be taken to establish a military

college". That includes the formulation of a scheme and a recommendation as to the time when the scheme should be put into operation. Then I retain (c) changed into (b), and I add (c) and "advise at what rate Indianisation of the Army should be accelerated for the purpose of attracting educated Indians to a military career". It will be no good starting a military college in India unless young Indians can be assured that they will have a satisfactory opening for them after they have received training at such a college. Therefore, the addition of the last clause suggested is necessary. I hope that the Government and the House will agree to accept this amendment. The Government have said that their object is to create facilities for giving the best military education to young Indians. From the remarks of His Excellency the Commander-in-Chief it was clear that he was solicitous that the military education that Indians should receive should not be inferior to that imparted at Sandhurst. I therefore hope that he will agree that an assurance to young Indians that there will be more careers open to them in the Army than there are at present is an essential feature of any scheme which is to be successful.

As to the rest of the amendment, we have already heard a great deal about the Resolution that was passed in 1921 and also about the one that was passed in 1923. I do not wish that the matter should be argued in a pettifogging spirit. I wish that the matter should be looked at from a broad point of view, and I will accept His Excellency the Commander-in-Chief's opinion, if he will read the speech he delivered in 1921, and say whether there was a word said by him to indicate that he, or the Government which he represented, did not accept or was opposed to the Resolution of the Assembly which recommended the establishment of a military college in India. I quite agree that His Excellency confined his remarks to the establishment of a college such as the one which has been established at Dehra Dun. His Excellency distinctly referred to that. But there was not a word, Sir, in his speech which indicated that the Government of India, as represented by His Excellency, was opposed to the Resolution for the establishment of a military college in India as early as may be practicable. I would also ask him to say whether it is not the training of Indians for the King's commissions that has been the object of the Assembly throughout all these discussions. It is not the Viceroy's commission, it is not a Dominion commission that we have been asking for. We asked for the King's commissions. We said that it was our right as subjects of His Majesty the King to get those commissions, and it is to provide training for our young men for these commissions that our proposals have been put forward. I hope I carry His Excellency the Commander-in-Chief with me in these two points, namely, that the Government did not oppose the Resolution recommending the establishment of a military college in India, that the Government allowed the vote of the House to be unanimous on that question, and that when His Excellency spoke after the Resolution had been passed, he did not say one word to indicate his dissent from it, and secondly that the Government did not oppose the Resolution which was passed in 1923. I invite attention to the passage which my friend Mr. Patel read only a little while ago. Take the two Resolutions together. Then also remember that before the war we had been pleading for years together, for decades together, even since I joined the Indian National Congress in 1896, for the grant of King's commissions to Indians. That was one of the subjects which constantly came up for discussion and on which we sent up our recommendations year after year to the Government. When the war broke out, Lord Hardinge, the then Viceroy, sent a despatch to the Government in England and it is an open secret that he recommended

[Pandit Madan Mohan Malaviya.]

that the King's commissions should be thrown open to Indians in a fairly large measure. Subsequently, Lord Chelmsford's Government sent up a scheme and they too recommended that the King's commissions should be thrown open to Indians. In the Montagu-Chelmsford Report also considerable attention was devoted to the recommendation that the King's commissions should be thrown open to Indians. Therefore, all this time we have been asking that the King's commissions should be thrown open to Indians. We have recommended the establishment of a military college in order that our young men should be qualified for King's commissions. We did not recommend the establishment of such a costly college in order to train Indians merely for the Viceroy's commissions. That being so, in view of the attitude adopted by Government so far, an attitude of non-opposition, to put it at the mildest, to the Resolution of this Assembly, I submit that they should agree to the small change which I have indicated in the amendment put forward by the Honourable the Home Member. I again say that we should look at the question in a large spirit, and I appeal to every Member of the House to say whether the words "whether it is not practicable" do not imply that the Honourable Mover of the amendment wishes to indicate that it is practicable to establish such a college in India now. I therefore urge that we should agree to accept that as a fact and to say that the Committee should investigate and report what steps should be taken to establish a military college in India. And to make it clear that it is the King's commission which is meant and not the Viceroy's commission or Dominion commission. I would insert the words "King's commissions" in order not to leave any room for doubt at a future date. I would read it like this. "to train Indian Officers for King's commissions in the Indian Army" (*A Voice*: "There are the words 'commissioned ranks'.") I would leave the wording as it is if it is understood that "commissioned ranks" means King's Commissions. But if anybody is going to argue that it does not mean King's commissions but something else, then I would clear it up by using the words I have suggested. I think that His Excellency the Commander-in-Chief will agree that what we Indians have been urging all these many years is that the King's commissions should be thrown open to Indians, and that therefore that is the point which is now before the House. I hope His Excellency will see his way to accept this amendment. (*Diwan Bahadur T. Rangachariar*: "How will you read the present clause (c)?" "It will stand as it is. (*Diwan Bahadur T. Rangachariar*: "You say 'if a military college . . . Why do you introduce a doubt there?'") "If" means "when" there. My last clause is "to advise at what rate Indianisation of the Army shall be accelerated for the purpose of attracting educated Indians to a military career." That is my amendment.

Before I resume my seat, Sir, may I, with your permission, remind His Excellency of how the development of the army took place in Japan? It is true we have got here many religions and many races, but His Excellency will remember that Japan built up patriotism in her sons by a deliberate, persistent, long-continued effort, in educating them in patriotism and by a regular system of training for the army for national defence which they were taught to regard as a matter of pride; that it was the result of years of persistent education of the Japanese that built up their magnificent patriotism. I believe, Sir, that, though we profess different religions, we people of India are nearly all of one race, and have lived under the influence of a common Government for over 150 years, and if the proper

kind of education is given, if the proper scheme is adopted, we shall show not less patriotism than the Japanese have done. Our misfortune has been that some of the finest things which England had it in her power to give to or withhold from India have been withheld from us. I join with Colonel Crawford in paying a tribute to English public schools. These schools unfortunately have not been established in India. We ask for the establishment of a military college because we believe that comradeship on the grounds of such a college between Indian youths of different creeds and castes will be the best antidote to communal and narrow feelings. I expect, Sir, that if this college is established it will be the means of promoting the purest and the noblest patriotism among Indians of all classes and creeds, and that is the reason why I commend this amendment to the consideration of His Excellency and the other Members of the House.

His Excellency the Commander-in-Chief: The last two speakers have made it perfectly clear to me, and I suppose they think they have also made it clear to the House, that on the occasion upon which I accepted on behalf of Government an amendment and a Resolution both in 1921 and in 1923 I was not quite so well versed in the methods of this House as I am to-day. I therefore propose to go a little more warily now than I did then. I am not going to be caught napping again. Much as I appreciate the amendment proposed by the Honourable Pandit, I am sorry it is quite impossible for me to accept it. In the first alteration that he proposes in paragraph (a) he makes a really material change in the wording of the original amendment and that, I am afraid, is more than I can accept. The addition that he makes to paragraph (c) which will become paragraph (b) in his new amendment of course extends the purview of the committee to a much wider area than I originally intended. I am afraid therefore I can accept neither.

Colonel J. D. Crawford (Bengal: European): I desire to state that I and my colleagues are prepared to support the amendment brought forward by Government, by the Honourable the Home Member. We do so because we are not, as the Honourable Mr. Jinnah would have us suppose, opposed to this problem. We desire that it should be examined very carefully because it is an important problem and we should endeavour to find what is the best solution of the difficulty. My own feeling lies very much in the fact that what we really want so much, I am now talking from the point of view of the officers of the army, is that our young boys of the age of 9 upwards should have the training which will enable them to benefit by a technical course at a military college. Without the education which is provided by our public schools training at the military college would greatly lack much of what is required and I trust that, if the amendment, as moved by the Honourable Sir Alexander Muddiman, is accepted by the House, the scope of the committee would include the question of the training of our youths as well as that of the provision of a military college. It is fairly evident that the desire of the House for the dignity of King's commissions is very great indeed and they are deserving of that dignity. In view of that fact I feel it is somewhat expedient for this House to accept the amendment as put on the paper by Sir Sivaswamy Aiyer and as moved by Sir Alexander Muddiman. Because if we fail to accept that amendment and endeavour to give too much in the nature of directions to our committee, are not we surely rather stating that we are somewhat nervous of our case? I would also congratulate the Government

[Colonel J. D. Crawford.]

cn, in this debate, not having started off the debate by giving a lead as they so often do to the House but allowing the debate to develop and then coming forward with a concrete suggestion. I trust that this House will realize the very substantial concession that has been made in the Government amendment. (A Voice: "A going back.") No, Sir, it is not a going back, it is a distinct advance forward. We will be able ourselves to consider the problem from every point of view and to make recommendations fully within the scope of this amendment. I trust therefore that my Honourable friend Pandit Motilal Nehru will on this occasion support me and the Government.

Several Honourable Members moved that the question be put.

Mr. President: The question is:

"That the question be now put."

The motion was adopted.

Mr. President: The question is:

"That in the amendment as moved by the Home Member for the words 'whether it is not practicable' the words 'what steps should be taken' be substituted."

The question I have to put is that that amendment be made.

The Assembly divided:

AYES—59.

Abhyankar, Mr. M. V.
Abul Kasem, Maulvi.
Acharya, Mr. M. K.
Ahmad Ali Khan, Mr.
Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Ahmuzzaman Chowdhry, Mr.
Belvi, Mr. B. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Dalsal, Sardar B. A.
Das, Pandit Nilakantha.
Dani Chand, Lala.
Dutt, Mr. Amar Nath.
Ghose, Mr. S. C.
Goswami, Mr. T. C.
Gour, Sir Hari Singh.
Gulab Singh Sardar.
Hans Raj, Lala.
Ismail Khan, Mr.
Iyengar, Mr. A. Rangaswami.
Jajodia, Baboo Runglal.
Jelani, Haji S. A. K.
Jinnah, Mr. M. A.
Kasim Ali, Shaikh-e-Chaigam Maulvi
Muhammad.
Kelkar, Mr. N. C.
Lohokare, Dr. K. G.
Malaviya, Pandit Madan Mohan.
Mishra, Mr. Jambhadas M.

Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Sayad.
Mutalik, Sardar V. N.
Naidu, Mr. M. C.
Nambiyar, Mr. K. K.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Pal, Mr. Bipin Chandra.
Patel, Mr. V. J.
Piyare Lal, Lala.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Reddi, Mr. K. Venkataramana.
Roy, Mr. Bhabendra Chandra.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Shams-uz-Zoha, Khan Bahadur M.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Dayaki Prasad.
Sinha, Kumar Ganganand.
Venkatspatiraj, Mr. B.
Yakub, Maulvi Mohammad.

NOES—37.

Abdul Mumin, Khan Bahadur
 Muhammad.
 Abdul Qaiyum, Nawab Sir Sahibzada
 Ajab Khan, Captain.
 Akram Hussain, Prince A. M. M.
 Ashworth, Mr. E. H.
 Bhoire, Mr. J. W.
 Blackett, The Honourable Sir Basil.
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Calvert, Mr. H.
 Clarke, Sir Geoffrey.
 Clow, Mr. A. G.
 Cocke, Mr. H. G.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Fleming, Mr. E. G.
 Graham, Mr. L.
 Hira Singh, Sardar Bahadur Captain.
 Hudson, Mr. W. F.
 Innes, The Honourable Sir Charles.

Marr, Mr. A.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable Sir
 Alexander.
 Muhammad Ismail, Khan Bahadur
 Saiyid.
 Raj Narain, Rai Bahadur.
 Rhodes, Sir Campbell.
 Rushbrook-Williams, Prof. L. F.
 Sastri, Diwan Bahadur C. V.
 Visvanatha.
 Sim, Mr. G. G.
 Stanyon, Colonel Sir Henry.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Webb, Mr. M.
 Willson, Mr. W. S. J.
 Wilson, Mr. R. A.

The motion was adopted.

Mr. President: Further amendment moved:

"To omit clause (b) in the amendment as moved by the Home Member."

The question is that that clause be omitted.

The motion was adopted.

Mr. President: Further amendment moved:

"To add at the end of the Home Member's amendment as a new clause (c):

'to advise at what rate Indianisation of the Army shall be accelerated for the purpose of attracting educated Indians to a military career'."

The question is that that amendment be made.

The motion was adopted.

Mr. President: Further amendment moved:

"To omit the word 'if' in clause (b) and insert the word 'when'."

The question is that that amendment be made.

The motion was adopted.

Mr. President: The original question was:

"That this Assembly recommends to the Governor General in Council that early steps be taken for starting a well equipped Military College in a suitable locality to train Indians for the commissioned ranks in the Indian Army Service and the necessary amount be sanctioned to start the preliminary work."

Since which an amendment has been moved that the following be substituted for the original Resolution:

"That this Assembly recommends to the Governor General in Council that a Committee including Indian Members of the Legislature be immediately appointed to investigate and report:

- (a) what steps should be taken to establish a military college in India to train Indian officers for the commissioned ranks of the Indian Army;
- (b) whether, when a military college is established in India, it should supersede or be supplemented by Sandhurst and Woolwich so far as the training of Indian officers is concerned; and
- (c) to advise at what rate Indianisation of the Army shall be accelerated for the purpose of attracting educated Indians to a military career."

[Mr. President.]

The question I have to put is that that amendment be substituted for the original Resolution.

The Assembly divided:

AYES—58.

Abhyankar, Mr. M. V.
Abul Kasem, Maulvi.
Acharya, Mr. M. K.
Ahmed, Mr. K.
Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Alimuzzaman Chowdhry, Mr.
Belvi, Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Dalal, Sardar B. A.
Das, Pandit Nilakantha.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Ghose, Mr. S. C.
Goswami, Mr. T. C.
Gour, Sir Hari Singh.
Gulab Singh, Sardar.
Hans Raj, Lala.
Ismail Khan, Mr.
Iyengar, Mr. A. Rangaswami.
Jajodia, Baboo Runglal.
Jeelani, Haji S. A. K.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kelkar, Mr. N. C.
Lohokare, Dr. K. G.
Malaviya, Pandit Madan Mohan.

Mehta, Mr. Jamnadas M.
Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Sayad.
Mutalik, Sadar V. N.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Pal, Mr. Bipin Chandra.
Patel, Mr. V. J.
Piyare Lal, Lala.
Purshotamdas Thakurdas, Sir
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Reddi, Mr. K. Venkataramana.
Roy, Mr. Bhabendra Chandra.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Shams-uz-Zoha, Khan Bahadur M.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Ganganand.
Venkatapatiraju, Mr. B.
Yakub, Maulvi Muhammad.

NOES—37.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Ajab Khan, Captain.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clarke, Sir Geoffrey.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Fleming, Mr. E. G.
Graham, Mr. L.
Hira Singh, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Innes, The Honourable Sir Charles.
Marr, Mr. A.

McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra
Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Naidu, Mr. M. C.
Raj Narain, Rai Bahadur.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Sim, Mr. G. G.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.

The motion was adopted.

Mr. President: The question is that the following Resolution be adopted, namely: .

“ This Assembly recommends to the Governor General in Council that a Committee including Indian Members of the Legislature be immediately appointed to investigate and report :

- (a) what steps should be taken to establish a military college in India to train Indian officers for the commissioned ranks of the Indian Army;
- (b) whether, when a military college is established in India, it should supersede or be supplemented by Sandhurst and Woolwich so far as the training of Indian officers is concerned; and
- (c) to advise at what rate Indianisation of the Army shall be accelerated for the purpose of attracting educated Indians to a military career.”

The motion was adopted.

Mr. President: I have to announce that in view of the fact that nominations for the election to the panel for the Standing Committee on the Department of Industries and Labour is short of the amount required by the regulations, I extend the period of notice for such nominations to 4 o'clock to-morrow, Friday, February 20th, and similarly the period of notice of nominations for the panel of the Committee for the Department of Commerce is extended to the same hour. The nominations for the other two Departments are complete.

The Assembly then adjourned till Eleven of the Clock on Friday, the 20th February, 1925.

LEGISLATIVE ASSEMBLY.

Friday, 20th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock,
Mr. President in the Chair.

QUESTIONS AND ANSWERS.

MILITARY SCHOOL AT AURANGABAD IN THE GUJRAT DISTRICT.

938. ***Raja Ghazanfar Ali Khan:** (a) Will the Government be pleased to state if the buildings of the Military School at Aurangabad in the Gujrat District are complete? If not, what are the reasons for the delay?

(b) What are the aims and objects of the said school?

(c) What are the courses of study prescribed or to be prescribed in the said school?

(d) In view of the war services rendered by the people of Jhelum, Rawalpindi and Gujrat Districts, what special facilities will the Government provide for the children of military men of these districts reading in this Military School?

Mr. E. Burdon: (a) The buildings have not yet been completed but it is hoped that the school will be opened for the reception of children about September next. Except for the fact that their construction was held up for a short time while Government was considering the report of the Retrenchment Committee, there has been no delay.

(b) To provide facilities for the education of the sons of Indian officers and soldiers.

(c) The curriculum has not yet been framed.

(d) This question also has not been decided.

RECRUITMENT OF CADETS FOR KING'S COMMISSIONS.

939. ***Raja Ghazanfar Ali Khan:** (a) Will the Government be pleased to state the number of cadets, stating their nationality, recruited directly for King's Commissions in the Indian Army, with the names of the various branches of the Army in which they are recruited, during the years 1918 to 1924?

(b) How many of them were recruited from North Punjab specially the Jhelum, Gujrat and Rawalpindi Districts?

Mr. E. Burdon: (a) and (b). I lay on the table a statement giving the information desired by the Honourable Member.

Statement showing the number of officers, British and Indian, appointed to the Indian Army, and the number of Indian cadets from the Punjab admitted to Sandhurst, during the years 1918—24.

British (still serving).

Commissioned from the Unattached List	...	...	543
Commissioned from the British Service	...	...	32
Commissioned from the Indian Army Reserve of Officers, etc.	...	...	96
Commissioned from the Colonial Forces	...	...	1
Total			672

Of this number, 565 officers are serving with Infantry, Pioneers, Indian Army Service Corps and Departments, and 107 are serving with the Cavalry.

Indian.

61 Indian cadets have been admitted to the Royal Military College, Sandhurst, since 1918. Of this number, 25 have actually been commissioned in the Indian Army; as regards the remainder, 2 died, 12 were found unsuitable and were removed, 2 were commissioned but subsequently resigned, one had his commission cancelled as he failed to report for embarkation when he had been ordered to do so, and 19 are still at the Royal Military College, Sandhurst.

Of the 25 officers actually commissioned, 15 have been appointed to the Indian Army while 10 are still under training with British units. Of the 15 officers mentioned, 7 are serving with Cavalry and 8 with Infantry units and the Pioneers.

(b) Of the 61 cadets mentioned in the above statement, twenty-two were residents of the Punjab, and came from the following districts:—

Attock 1; Rawalpindi 1; Lahore 5; Gujranwala 1; Multan 2; Gujrat 3; Jullundur 1; Jhelum 1; Ferozepore 2; Ludhiana 1; Lyallpur 2; Sargodha 1; Sheikhupura 1.

BRANCHES OF THE INDIAN ARMY CLOSED TO INDIANS.

940. ***Raja Ghazanfar Ali Khan:** Are there any branches of the Indian Army to which Indian candidates are not admitted? If so, what are those and for what reasons?

Mr. E. Burdon: The answer is in the negative.

CONSTITUTION OF THE CENTRAL INDIAN SOLDIERS' BOARD.

941. ***Raja Ghazanfar Ali Khan:** (a) What is the constitution of the organisation known as the Indian Soldiers' Board? What are its aims and objects?

(b) Are the presidents of these Boards elected by the members of the Board? If not, are the Government prepared to allow the members to elect their own president from amongst themselves?

Mr. E. Burdon: (a) I place a statement on the table showing the present constitution of the Central Indian Soldiers' Board.

The aims and objects of the Board are, in brief, to protect the home interests of the Indian soldier while he is serving and to assist the ex-soldier, where necessary, in establishing himself in civil life. In this connection I invite the Honourable Member's attention to the printed Report of the Board's activities for the period January 1923 to March 1924.

(b) I do not know whether the Honourable Member is referring to the Central Soldiers' Board, the Provincial Soldiers' Board or the District Soldiers' Committees, but in any case the reply to both these questions is in the negative.

Statement showing the present constitution of the Central India Soldiers' Board.

President.

The Honourable Sir CHARLES INNES, K.C.S.I., C.I.E.

Members.

His Excellency Sir MALCOLM HAILEY, K.C.S.I., C.I.E. (*Governor of the Punjab*).

The Honourable Sir BASIL PHILLOTT BLACKETT, K.C.B. (*Finance Member*).

The Honourable Khan Bahadur Sir MUHAMMAD HABIBULLAH SAHIB BAHADUR, K.C.I.E., Kt. (*Member of Education, Health and Lands*).

Lieutenant-General Sir J. S. M. SHEA, K.C.B., K.C.M.G., D.S.O.

(*Adjutant General in India*).

E. BURDON, Esquire, C.I.E., I.C.S., M.L.A. (*Army Secretary*).

A. F. L. BRAYNE, Esquire, C.I.E., I.C.S. (*Financial Adviser, Military Finance*).

Lieutenant-Colonel F. G. MOORE, C.B.E., *Secretary*.

The Board was originally constituted under Resolution of the Government of India, No. 737, dated the 16th January 1919.

Affiliated to the Central Board are the following provincial Soldiers' Boards :

Madras.

Bombay.

Punjab.

United Provinces.

Central Provinces.

North-West Frontier Province.

Rajputana.

Delhi.

Kashmir.

Mysore.

Subordinate to each provincial Soldiers' Board are the District Soldiers' Committees.

DISTRIBUTION OF RELIEF MONEY TO THE DEPENDENTS OF MILITARY MEN KILLED IN THE GREAT WAR.

942. ***Raja Ghazanfar Ali Khan:** (a) What is the amount of the relief money distributed amongst the families of the military men killed or wounded during the last great war during the years 1919 to 1924?

(b) How much out of this was spent in the Districts of Jhelum, Rawalpindi and Gujrat?

(c) Are the Government aware of the fact that the relief money falls much too short of the needs of the families to whom it has been given and further that there are many deserving families to whom nothing has been given so far?

Mr. E. Burdon: (a) The total of relief money distributed in India to the dependents of those who died or to those who were disabled in the great war during the years 1919 to 1924, inclusive, amounted to Rs. 1,17,94,955.

(b) The information desired by the Honourable Member is not available and cannot be obtained without an expenditure of time and labour incommensurate with the result.

(c) Government are confident that the Honourable Member's statement does not correctly represent the facts, that is to say, they believe it to be an overstatement. But if the Honourable Member will bring to my notice any individual case which falls within the scope of our Relief Funds and in which relief to the extent permitted by the rules of the Fund has not been granted, I will undertake to have it forwarded to the proper quarter and investigated.

Sardar V. N. Mutalik: Are Government aware that any sums or rewards to heirs of persons killed in the war still remain due in many cases and, if so, will Government be pleased to take early steps to pay the same?

Mr. E. Burdon: I do not understand what my Honourable friend means by saying sums of money *due* to heirs.

Sardar V. N. Mutalik: To the families of the deceased persons who were killed in the war.

Mr. E. Burdon: In what way are the sums *due* to the heirs? This is a question of charitable relief.

Sardar V. N. Mutalik: It is no question of charitable relief; it is a question of what Government have already promised and which still remains unpaid.

Mr. E. Burdon: I do not think that arises out of this question.

Mr. K. Ahmed: Do Government propose to increase the amount of relief?

Mr. E. Burdon: It is not Government money, Sir. This is private charitable money.

SCHOLARSHIPS FOR THE EDUCATION OF THE CHILDREN OF MILITARY MEN KILLED OR WOUNDED IN THE GREAT WAR.

943. ***Raja Ghazanfar Ali Khan:** What is the amount of scholarships spent for the education of the children of military men, who have been killed or wounded in the last great war in the Districts of Jhelum, Rawalpindi and Gujrat?

Do the Government intend providing scholarships for the higher education of the said children as well?

Mr. E. Burdon: I am endeavouring to obtain the information, and I will let the Honourable Member know the result in due course.

RECRUITMENT OF INDIAN OFFICERS IN SEAGOING VESSELS.

944. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to place on the table the result of the correspondence which has passed between the Government and the different Shipping Companies regarding the appointment and recruitment of Indian officers in seagoing vessels?

(b) Will the Government be pleased to state whether they propose to urge on the Shipping Companies to take early action for recruitment and appointment of Indian Officers in seagoing vessels?

The Honourable Sir Charles Innes: (a) and (b). The Government of India have had no correspondence with Shipping Companies on the subject. But I would refer the Honourable Member to paragraphs 22-23 of the Indian Mercantile Marine Committee's Report from which it will be observed that the principal Shipping Companies are prepared to employ Indian officers if duly qualified. The question of providing a training ship as recommended by the Committee is at present under consideration.

STOPPAGE OF HOUSE RENT ALLOWANCE OF DEPUTY, ASSISTANT AND SUB-POSTMASTERS IN LAHORE.

945. ***Mr. Amar Nath Dutt:** (a) Is it a fact that the house rent allowance paid to Deputy, Assistant and Sub-Postmasters in Lahore has been stopped from the 1st July, 1924?

(b) Is it a fact that similar allowances in other provinces stand untouched? If the reply be in the affirmative, what is the reason for making this discrimination?

(c) Will the Government please state if the Assistant Postmasters and Deputy Postmasters in Lahore and other offices in the Punjab are required to attend offices at inconvenient hours, *i.e.*, other than 10 to 16 hours?

(d) If so, will the Government be pleased to state if these officers have been provided with quarters or given house rent in order to enable them to secure houses within close proximity to the offices to which they belong?

(e) Are the Government prepared to restore the allowance in question?

(f) Will the Government please state if the Deputy and Assistant Postmasters belong to the same cadre to which the other Postmasters holding independent charge belong? Will they also state if Personal Assistants to Postmasters-General belong to the same cadre as Superintendents of Post Offices?

(g) Will the Government please state if a duty allowance of Rs. 100 p. m. is granted to every Personal Assistant working in the Postmaster-General's Office? If so, what is the principle underlying this grant?

(h) If the reply to (g) is in the affirmative, will the Government please state why a different treatment is accorded to the Deputy and Assistant Postmasters of Lahore?

Sir Geoffrey Clarke: (a) to (h). The Honourable Member's attention is invited to the replies given to Mr. S. Sadiq Hasan's starred questions Nos. 863 to 865 on the 16th current.

COMPENSATORY ALLOWANCES TO SELECTION GRADE POSTAL OFFICIALS
STATIONED AT LAHORE, DELHI, RAWALPINDI AND PESHAWAR.

946. ***Mr. Amar Nath Dutt:** (a) Are the Government aware that the time-scales of pay for Post Office clerks, postmen and other staff at Lahore, Delhi, Rawalpindi and Peshawar are higher than those prevailing at other places in the Punjab and N. W. F. Circle, and is this not due to the cost of living at the above-mentioned places being comparatively higher than that at other places in the circle?

(b) If so, will the Government please state why no compensatory allowance is given to selection grade officials at the above-named places?

Sir Geoffrey Clarke: The Honourable Member's attention is invited to the reply given by me to Mr. S. Sadiq Hasan's starred question No. 866 on the 16th current.

GRANT OF EXTENSIONS OF SERVICE TO NON-GAZETTED OFFICERS IN THE
SELECTION GRADES IN THE POSTAL DEPARTMENT, PUNJAB CIRCLE.

947. ***Mr. Amar Nath Dutt:** (a) Is it a fact that extensions of service are as a rule prohibited in the gazetted grade of officers in the Postal Department after attaining the age of 55 years?

(b) Is it also a fact that extensions are being freely granted to non-gazetted officers in the selection grades in the Postal Department (Punjab Circle) after they attain the same age?

(c) Are Government aware that there are a small percentage of appointments in the selection grades and the only avenue of advance is through retirement of superannuated men and that there is a great deal of discontent among the non-gazetted officers of the selection grades owing to the extensions being granted to the Postmasters who have attained the age of 55 years?

(d) Will the Government be pleased to state why uniformity of procedure is not observed in the gazetted cadre and selection grades and are the Government prepared to consider the question of stopping the practice of giving extensions of service in the selection grades?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) Government have no information.

(c) The answer to the first part is in the affirmative, and to the second part is in the negative.

(d) I would invite the Honourable Member's attention to Rule 56 (a) and (b) of the Fundamental Rules, which explains the differentiation. Government do not propose to alter the practice.

WIRELESS BEAM STATION IN INDIA.

948. ***Diwan Bahadur M. Ramachandra Rao:** With reference to the answer to question No. 363 asked at the meeting of the Assembly held on the 28th January 1925 will the Government be pleased to state:

(a) with whom the negotiations for the erection of a Wireless Beam Station in India are being conducted?

(b) will the creation of such a station impose any financial burden on the revenues of India; if so, how much?

The Honourable Sir Bhupendra Nath Mitra: (a) The Indian Radio Telegraph Company Limited, Bombay.

(b) No.

Diwan Bahadur M. Ramachandra Rao: May I ask the Honourable Member whether, as stated in the *Pioneer* of the 8th instant, the Government have reserved to themselves the power of purchasing this company at the end of ten years?

The Honourable Sir Bhupendra Nath Mitra: As I mentioned to the Honourable Member the other day, the precise agreement will be placed in the Library of this House as soon as it is concluded. At this stage I cannot make any statement beyond what I said the other day.

Diwan Bahadur M. Ramachandra Rao: May I ask whether that statement in the *Pioneer* is true?

The Honourable Sir Bhupendra Nath Mitra: The agreement not having yet been concluded, it would be difficult for me to anticipate the position.

SEPARATION OF EXECUTIVE AND JUDICIAL FUNCTIONS.

949. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to state:

(a) for how many years the proposals for the separation of the executive functions from the judicial have been under consideration?

(b) whether there is any prospect of the Government of India reaching any conclusion on the subject in the near future?

The Honourable Sir Alexander Muddiman: (a) The question of the further separation of judicial and executive functions has been under consideration from time to time in India during the last 80 years.

(b) The Government of India have come to conclusions upon the question on many occasions. One aspect of the question is now again engaging their attention, and I am unable to say when a conclusion will be reached.

Mr. Gaya Prasad Singh: For how many more years is the question likely to engage their attention before a conclusion is reached?

The Honourable Sir Alexander Muddiman: That, Sir, not being a prophet, I am unable to say.

INDIA'S PARTICIPATION IN THE BRITISH EMPIRE EXHIBITION IN 1925.

950. ***Diwan Bahadur M. Ramachandra Rao:** (a) Do the Government propose to afford facilities to this House to express its opinion on the desirability or otherwise of India participating in the Wembley Exhibition this year?

(b) With reference to the answer given by the Honourable Sir Charles Innes to my question No. 392 will the Government be pleased to state whether any and what expenditure would be incurred from the revenues of India on the Wembley Exhibition, should the Government of India decide to participate in the Exhibition this year?

The Honourable Sir Charles Innes: I would refer the Honourable Member to what I said in the House on Monday last during the discussion of the demands for supplementary grants. Since then the position has been cleared up by the issue of a press communiqué yesterday; I lay a copy of that communiqué on the table.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

Delhi, the 19th February 1925.

Press Communiqué.

The Government of India are now in a position to make the statement in connection with India's participation in the British Empire Exhibition in 1925. The Government of India are not taking part officially. The building with its fittings and forestry exhibit is being sold to the Exhibition Board; and the Government of India are relieved of all responsibility in connection with it.

The Exhibition Board have made the following arrangements for accommodating Indian exhibitors who wish to take part in the 1925 Exhibition. The rent charged to them for floor space in the Indian pavilion is to be £1 per square foot, with discounts of five per cent. on rentals between £250 and £500, ten per cent. discount for amounts between £500 and £1,000 and twenty per cent. discount for over £1,000. Special terms will be quoted for Government exhibits, Indian States and rents over 5,000 square feet. Fifty per cent. of the rental for space applied for should be sent with applications or be paid into any Branch of Lloyds Bank in India whose receipts should accompany applications. Balances are to be paid on occupation. No commission will be charged on sales but a selling license based on stall frontage of £5 per linear foot will be granted subject to a minimum of £50. Numerous fittings for small stalls are available for hire by private treaty. Water, gas and electric light will be charged according to consumption. Applications are to be made to the Controller of the Indian Section of the Empire Exhibition.

These terms are very similar to those in force last year in the Indian Pavilion.

(Sd.) D. T. CHADWICK,

Secretary to the Government of India.

REPORT ON THE TRAINING OF RAILWAY OFFICERS AND SUBORDINATES
IN INDIA.

951. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to state the date on which Mr. Cole's Report on the training of railway officers and subordinates in India was submitted to the Government of India and whether any steps have been taken to give effect to the various recommendations made in that report?

Mr. G. G. Sim: The report in question was submitted by Mr. Cole in 1922. As regards the rest of the question the Honourable Member is referred to paragraphs 88 and 89 of the Report by the Railway Board on Indian Railways for 1923-24.

SINGAPORE BASE.

952. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to place on the table the communication received from His Majesty's Government about the construction and maintenance of the Singapore Base?

Mr. E. Burdon: No, Sir. This Government have no authority to make public any communication received from His Majesty's Government on the subject.

Diwan Bahadur M. Ramachandra Rao: May I ask the Honourable Member whether, looking to the importance of the subject, he would ask the permission of His Majesty's Government to publish the despatch?

Mr. E. Burdon: The Government of India would not be justified in asking His Majesty's Government for such permission.

Diwan Bahadur M. Ramachandra Rao: Will the Honourable Member say whether it is not desirable that this House should know the views expressed by His Majesty's Government in regard to this matter?

Mr. E. Burdon: It is quite impossible, Sir. As the Honourable Member will have seen from answers given to previous questions, the Government of India are not financially concerned with this matter.

REVISION OF THE PAY OF THE ARMY SERVICES IN INDIA.

953. ***Diwan Bahadur M. Ramachandra Rao:** With reference to the answer given to my question No. 433 will the Government be pleased to place on the table a statement showing the total increase or decrease of expenditure due to the revision of the pay of the Army services in India so far as they have been sanctioned up to date?

Mr. E. Burdon: No decision has yet been reached in regard to the revision of pay of the Army services in India, and Government are, therefore, not in a position to comply with the Honourable Member's request. The only concessions that have so far been sanctioned are as follows:

- (i) The admission to officers of the Indian Medical Service in military employ of the remittance concessions granted to officers of the same service in civil employ as a result of the decisions reached on the recommendations of the Lee Commission; and
- (ii) Certain passage concessions that have been granted to officers of the Indian Medical Service in military employ.

The increase of expenditure as a result of these two decisions is estimated at Rs. 5,00,000.

AMOUNTS INVESTED BY THE GOVERNMENT OF INDIA IN THE
PURCHASE OF OPIUM.

954. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to place on the table a statement of the amounts invested by the Government of India in the purchase of opium from the revenues of India for each year from 1913-14?

The Honourable Sir Basil Blackett: I would refer the Honourable Member to the Finance and Revenue Accounts of the Government of India, copies of which are in the Council Library.

PURCHASE OF TEXTILES IN INDIA AND GREAT BRITAIN.

955. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to state the value and quantity of the textiles purchased in India and in Great Britain respectively, by the various Departments of Government during the years 1923-24 and 1924-25 up-to-date?

The Honourable Sir Bhupendra Nath Mitra: It is regretted, Sir, that complete information in the form asked for by the Honourable Member is not readily available and could only be collected and compiled at the expense of an inordinate amount of trouble and labour. It is hoped, however, that the following information will suffice for the Honourable Member's requirements:

1923-24.

Purchases made through the High Commissioner, London £130,000

The figures for the Army and Railway purchases of textiles are not available for the period April 1923 to 15th August 1923 and are not therefore included in these figures.

Purchases made in India Rs. 1,74,11,400

This total does not include the purchases of textiles made by the Government of Bombay and the Collectors of Customs, Madras and Rangoon, particulars of which have not been furnished by the above authorities.

1924-25.

Purchases made through the High Commissioner, London— £377,090

Figures are only available for the purchases of textiles made from the 1st of April 1924 to the end of December 1924.

Purchases made in India—

The only information at present obtainable relates to the operations of the Indian Stores Department which from the 1st of April 1924 to 12th February 1925 had actually purchased textiles to the value of Rs. 87,73,400
and was negotiating purchases against demands received amounting in value to „ 50,94,000

It may be explained that the figures relating to purchases made in India in 1924-25 do not include purchases of textiles made direct by Local Governments. Figures relating to purchases made through the High Commissioner have not been furnished by him but obtained from records already at the disposal of the Government of India. Their absolute accuracy is not guaranteed.

PAYMENTS OF COMPENSATION TO THE DEPENDENTS OF PERSONS KILLED
IN THE RAILWAY COLLISION AT HARAPPA.

956. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to place on the table a statement showing the amounts paid as compensation to the relatives and dependents of the persons who lost their lives in the railway collision at Harappa?

Mr. G. G. Sim: Government understand that the North Western Railway Administration has paid compensation to the relatives of persons killed or injured in the Harappa accident in 31 cases so far and that the total cost thus incurred is Rs. 38,899.

Diwan Bahadur M. Ramachandra Rao: May I ask the Honourable Member to say how many more cases are still pending disposal?

Mr. G. G. Sim: I have not got that information, Sir.

TRAINING OF INDIANS FOR THE ROYAL ARTILLERY, THE ROYAL
ENGINEERS, AND THE ROYAL AIR FORCE.

957. ***Diwan Bahadur M. Ramachandra Rao:** With reference to the answer given to the unstarred question No. 38 asked by Sardar V. N. Mutalik on the 22nd January last, will the Government be pleased to state full details of the scheme for the training of Indians at Woolwich and Cranwell for employment in the Royal Artillery, Royal Engineers and Royal Air Force, and also to state the number of Indians whom it is proposed to train each year for each of the above Army Services?

Mr. E. Burdon: Details of these proposals cannot be made public at present as the proposals themselves are still under the consideration of the Secretary of State for India.

PUBLICATION OF THE REPORT OF THE CIVIL JUSTICE COMMITTEE.

958. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to publish the report of the Committee appointed for investigating the delays in the disposal of civil litigation?

The Honourable Sir Alexander Muddiman: The report will be published as soon as possible and I hope to be able to say when that will be in a few days.

REMOVAL OF THE DISQUALIFICATION ATTACHING TO POLITICAL
PRISONERS IN REGARD TO THE EXERCISE OF THEIR FRANCHISE.

959. ***Mr. C. S. Ranga Iyer:** (a) Will the Government be pleased to state if they intend to remove the disqualification attaching to political prisoners in regard to the exercise of their franchise either as voters or as candidates for the Councils and the Assembly? If so, when?

(b) Are the Government aware that such a disqualification does not attach to them in regard to Municipal Boards and District Boards?

The Honourable Sir Alexander Muddiman: (a) I am unable to make any statement on the subject at the present time.

(b) The Honourable Member is mistaken in assuming that such a disqualification does not attach to such persons in regard, at any rate to some of these bodies in India.

STEPS TAKEN BY THE PATNA HIGH COURT TO GIVE EFFECT TO THE
RECOMMENDATIONS OF THE INDIAN BAR COMMITTEE.

960. ***Mr. Gaya Prasad Singh:** (a) With reference to the statement made on the 16th September 1924, regarding the recommendations of the Indian Bar Committee, will the Government be pleased to say if they have received replies from all the Local Governments, the High Courts, and the legal Associations on the subject of these recommendations?

(b) As regards the statement contained therein that "some of the recommendations of the Indian Bar Committee may be put into operation by the High Courts under the powers which are vested in them, and certain High Courts are in fact taking action in this direction", will the Government kindly state what steps, if any, the High Court of Judicature in Patna has taken or is taking to give effect to the recommendation of the Indian Bar Committee in the matter of creating a single grade of practitioners?

(c) If the answer to the above be in the negative, will the Government be pleased to say why no steps have been taken by the Patna High Court in the matter?

The Honourable Sir Alexander Muddiman: (a) The Honourable Member is referred to the answer given to part (b) of Sir Hari Singh Gour's question No. 396 on the 28th January 1925. The replies are not yet complete.

(b) and (c). It is understood that the Patna High Court is awaiting legislation in this Legislature before taking any action itself.

Diwan Bahadur T. Rangachariar: May I know whether the Government intend to bring in any legislative measure in this Legislature in Delhi?

The Honourable Sir Alexander Muddiman: We hope to do so. I have already said that.

ABOLITION OF FLOGGING IN THE INDIAN ARMY.

961. ***Mr. Gaya Prasad Singh:** With reference to question No. 7 of the 20th August 1920, asked in the Indian Legislative Council, will the Government be pleased to state if flogging as a punishment has been abolished in the Indian Army?

Mr. E. Burdon: Under Section 22 (1) (b) of the Indian Army Act, the Commanding Officer of a Unit on active service may award corporal punishment, not exceeding 12 strokes with a rattan, to followers who are menial servants. This is the only case in which corporal punishment can be awarded in the Indian Army, whether in peace or war.

Mr. Devaki Prasad Sinha: What does the Honourable Member mean by "menial service"?

Mr. E. Burdon: If the Honourable Member will put a question on paper, I will give him a tabulated statement showing what classes of followers and menials are employed in the Indian Army.

Mr. Devaki Prasad Sinha: Why are they called menials?

Mr. E. Burdon: I really don't know what the derivation of the word "menial" is. I have tried to find out but so far I have failed.

Mr. N. M. Joshi: May I know, Sir, if the Government will be prepared to remove this form of punishment which is now given to menials and other lower classes of servants?

Mr. E. Burdon: Government are not considering the matter at the moment, Sir.

Mr. N. M. Joshi: My question is whether Government will be prepared to consider it?

Mr. E. Burdon: That is not a question asking for information.

DISPOSAL OF SIR AUREL STEIN'S COLLECTION OF CENTRAL ASIAN ANTIQUITIES.

962. ***Mr. B. Dass:** Will Government be pleased to state:

- (a) What proportions of the antiquities obtained during Sir Aurel Stein's first expedition (1900-01) in Central Asia were allotted to the Calcutta, Lahore and British Museums, respectively?
- (b) The principles governing such proportionate distribution?
- (c) Did the British Museum share any portion of the expenses of the first expedition? If so, what percentage basis?

Mr. J. W. Bhore: (a) and (b). There was no fixed proportion. The distribution was made with reference to the prior claims of the Museums at Lahore and Calcutta and to the interests of scholarship and research, and in view of the fact that the Governments of the Punjab and Bengal met a portion of the cost of the expedition.

(c) No, Sir.

LOAN OF SPECIMENS OF EARLY TEXTILES BELONGING TO SIR AUREL STEIN'S COLLECTION TO THE SOUTH KENSINGTON MUSEUM.

963. ***Mr. B. Das:** (a) What are the conditions of loan of specimens of early textiles to the South Kensington Museum?

(b) When will these specimens be returned?

Mr. J. W. Bhore: (a) None.

(b) As soon as proper arrangements can be made for their housing in India.

SIR AUREL STEIN'S COLLECTION OF CENTRAL ASIAN ANTIQUITIES.

964. ***Mr. B. Das:** (a) Will Government be pleased to state when the report of the third expedition of Sir Aurel Stein was published?

(b) Will the portion of specimens taken over to Europe, for preparation of Sir Aurel Stein's third report be returned to India after completion of that report?

Mr. J. W. Bhore: (a) It is hoped to publish the report early next year.

(b) These specimens will probably be exhibited in the British Museum from May to October this year and then returned to India when proper arrangements have been made for their housing.

ALLOTMENT OF A PORTION OF SIR AUREL STEIN'S COLLECTION OF CENTRAL ASIAN ANTIQUITIES TO THE PRINCE OF WALES'S MUSEUM AT BOMBAY.

965. ***Mr. B. Das:** (a) What are the decisions of the Government regarding antiquities housed at Srinagar? How will they be distributed?

(b) Are Government aware that the Prince of Wales's Museum at Bombay has been allotted nothing out of the Stein collections?

(c) Do Government propose to allot a portion of the Srinagar collection to Bombay when the distribution takes place?

Mr. J. W. Bhore: (a) and (c). As the antiquities are intended for the Museum at Delhi no distribution will be made.

(b) Yes.

FINANCING BY THE BRITISH MUSEUM OF SIR AUREL STEIN'S SECOND EXPEDITION.

966. ***Mr. B. Das:** (a) Will Government be pleased to state the reasons for approaching the British Museum for financing the Stein expeditions?

(b) Are the Stein reports accessible to the public?

(c) In what way are the publications of the Archæological Department made accessible to the general public?

(d) What are the latest publications of the Archæological Department?

Mr. J. W. Bhore: (a) The British Museum authorities were approached in respect of the second expedition only, as Government were not then prepared to meet the whole cost.

(b) Yes, in the important libraries. They are also for sale.

(c) By presenting copies to important libraries free of cost.

(d) A statement is laid on the table.

Statement showing the latest publications of the Archæological Department
Annual report of the Archæological Survey of India for 1921-22.

Epigraphia Indo Moslemica for 1919-20.

Guide to Taxila, Urdu Translation.

Index to the Director General of Archæology's annual reports for 1902-03 to 1915-16.

South Indian Inscriptions Text (Volume IV), *New Imperial Series* (Volume XLIV).
The Siddhantas and the Indian Calendar.

Supplementary Catalogue of Coins in the Indian Museum, Volume I (non-Mohamadan series).

Guide to Buddhist ruins of Sarnath, 3rd Edition.

Memoir No. 16.—The temple of Siva at Bhumara.

Memoir No. 17.—Pallava Architecture (Part I).

Memoir No. 18.—Hindu Astronomy.

ARCHÆOLOGICAL EXCAVATIONS IN INDIA.

967. ***Mr. B. Das:** (a) Will Government be pleased to state what are the major archæological excavations being carried out at present in various parts of India?

(b) Have Government considered the advisability of carrying out excavations in the Indraprastha Fort in Delhi, a place of great antiquity in India?

Mr. J. W. Bhore: (a) At Mohenjo Daro, Harapa, Taxila, Nalanda, Sarnath and Kurukshetra.

(b) Trial excavations were made some years ago in the old fort referred to, but the conditions of the site and the results obtained were not such as to justify the work being continued.

INSTITUTION OF A BETTER SYSTEM OF AUDIT, INSPECTION AND CONTROL
IN RESPECT OF THE AFFAIRS OF THE IMPERIAL BANK OF INDIA.

968. ***Mr. A. Rangaswami Iyengar:** Will the Government be pleased to state whether they have so far considered the advisability of issuing instructions under section 10 of the Imperial Bank of India Act to the Imperial Bank to institute a better system of audit, inspection and control in respect of the affairs of the Bank than is now provided for under the bye-laws and articles and some scheme of concurrent and efficiency audit in order to enable the public and the Government to obtain periodical and confidential reports of independent auditors from time to time, as in the case of Government Treasury operations?

The Honourable Sir Basil Blackett: The Government do not consider that action is necessary under section 10 of the Imperial Bank of India Act, nor that action under that section is appropriate for the purposes which the Honourable Member has in view. Section 59 of the Act empowers the Government to appoint auditors if necessary, to examine and report upon the accounts of the Bank, but the Government do not at present consider such action necessary.

Mr. A. Rangaswami Iyengar: Are the Government aware of the proceedings that took place in the Madras High Court in regard to the operations of the Madras branch of the Imperial Bank?

The Honourable Sir Basil Blackett: Yes, Sir.

Diwan Bahadur M. Ramachandra Rao: Do they propose to take any action in regard to this?

The Honourable Sir Basil Blackett: If the Honourable Member will put the question down, I will consider the answer.

Diwan Bahadur M. Ramachandra Rao: Sir, I beg to ask a question of which I gave private notice to my Honourable friend, Sir Alexander Muddiman.

(a) In view of the fact that the Report of the Reforms Inquiry Committee was submitted to the Government more than 2 months ago, will the Government be pleased to state the reasons for the delay in its publication?

(b) Is it a fact that this Assembly adopted on the 4th February, 1921, a Resolution, which was accepted by the Government, that as far as practicable steps be taken to ensure that no action administrative or legislative be taken on reports of Commissions or Committees appointed by the Secretary of State for India or the Government of India until an opportunity shall have been given by the Government to the Indian Legislature to express its opinion? Will the Government be pleased not to take any action on the Reforms Inquiry Report till this House has been afforded an opportunity to express its views on this subject?

(c) Have the Government of India come to any decision in regard to the various matters dealt with in the Report and has the report been forwarded to the Secretary of State for India in Council with or without an expression of opinion of the Government of India on the recommendations made in the report?

(d) In view of the statement made by the Honourable Sir Alexander Muddiman in this House that the report will be published in a few weeks and that an opportunity will be given to this House to discuss the report, will the Government be pleased to state when this opportunity will be afforded?

(e) Are the Government aware that if the report is published at the fag-end of the Session there will be no time for an adequate discussion of the report and that the discussion of the report will have to be postponed till the September session and will the Government be pleased to order the publication of the report without any further delay?

(f) Has the attention of the Government been drawn to the announcement made in the Press on the 13th instant that Lord Olivier has given notice of a motion about the inquiry made by the Reforms Inquiry Committee in regard to the working of the Indian constitution and will the Government be pleased to afford all facilities for an expression of opinion by this House on the report before the matter is discussed in Parliament?

The Honourable Sir Alexander Muddiman: (a) Final copies of the Report and Appendices were received by the Government of India on the 15th December, 1924. The time since then has been mainly occupied by the work of printing the Report and its Appendices. It has also been necessary to make arrangements for their publication simultaneously or nearly as possible simultaneously in India and in England.

(b) A Resolution in the terms quoted by the Honourable Member was adopted by the Assembly on the 24th February, 1921. Without committing themselves in regard to action on any minor recommendations which may be contained in the Report the Government of India propose to give effect to the terms of that Resolution in regard to the main recommendations in the Report now in question.

(c) The reply to the first part of this question is in the negative. The Report was forwarded to the Secretary of State without any expression of opinion.

(d) and (e). I am unable to say at present when this House will be given an opportunity to discuss the report. I may inform the Honourable Member, however, that it will be published in India on the 9th March.

Thereafter and before any discussion takes place, I presume Honourable Members will wish to consider the recommendations contained in it. The Government of India, I may add, have not yet come to provisional conclusions upon those recommendations.

(f) Government have seen the announcement. Though they are able to some extent to arrange the course of business in this House, the Government of India have no control over the course of business in Parliament, and I am therefore unable to give such an undertaking as is asked for.

Diwan Bahadur M. Ramachandra Rao: May I ask the Honourable Member, Sir, in view of the fact that the Report will be published on the 9th of March, whether there will be any opportunity given to this House to discuss it after that date?

The Honourable Sir Alexander Muddiman: Certainly after that date.

Diwan Bahadur M. Ramachandra Rao: But before any action is taken.

The Honourable Sir Alexander Muddiman: I have said that at the present time I am unable to make any statement on this question. I think the Honourable Member had better repeat his question after the 9th of March.

Mr. A. Rangaswami Iyengar: May I know, Sir, if, after seeing the Report, Honourable Members on this side of the House should come to the conclusion that the Report ought to be discussed before action is taken, whether a date will be given for the discussion of this subject?

The Honourable Sir Alexander Muddiman: That seems somewhat of a hypothetical nature.

Diwan Bahadur M. Ramachandra Rao: May I ask the Honourable Member whether he will endeavour to give us an opportunity to discuss this Report at all before we disperse, before the end of March? Have the Government any intention of affording us an opportunity at all?

The Honourable Sir Alexander Muddiman: I have made my point clear. Government have not come to any definite conclusion on this subject.

Diwan Bahadur M. Ramachandra Rao: May I ask, Sir, when they propose to come to any conclusion on this subject?

The Honourable Sir Alexander Muddiman: Well, Sir, these are matters of some importance: we cannot come to hasty conclusions.

Diwan Bahadur M. Ramachandra Rao: Would the Honourable Member undertake to give us an assurance that the subject will be open to discussion?

The Honourable Sir Alexander Muddiman: I think if the Honourable Member will put me that question on the 9th March, I shall be in a position to give him an answer.

UNSTARRED QUESTION AND ANSWER.

INCREMENTS OF PAY OF CLERKS IN CIVIL ACCOUNTS OFFICES.

137. **Mr. K. C. Neogy:** (a) Are the Government aware, that a number of clerks who entered the Civil Accounts offices from the Postal Accounts or other non-civil Audit offices, have been deprived of increments of pay (for the period of their services in the Postal or other non-civil Audit offices) to which they were entitled on account of the introduction of the time scale of pay on the 4th November 1919?

(b) Is it a fact they were so deprived on the mere ground that they belonged to the Postal Accounts or other non-civil Audit offices?

(c) Is it a fact that the status of these offices are equal because the same scale of pay has since been introduced?

(d) Is it a fact that these clerks would have got the entire benefit of increment of the time scale, according to their services, if they had remained in those offices, which also came under the time scale from the same date, with the Civil Accounts Offices?

(e) If the answers to (b), (c) and (d) are in the affirmative, are Government prepared to reconsider their decision embodied in paragraph 7 of the memorandum of instruction of payment under the time scale of pay circulated with G. I. No. 58 F. E., G. F. D., dated 14th January, 1920, to D. A. G., Delhi, and give the poor clerks, who were thus transferred to the Civil Accounts Offices, the full benefit of the increment under the time scale from the date of its introduction, taking into consideration their services in the Postal Accounts or other non-civil Audit offices?

The Honourable Sir Basil Blackett: Inquiries are being made and the information will be supplied to the Honourable Member in due course.

PETITION RELATING TO THE INDIAN PENAL CODE (AMENDMENT) BILL (AGE OF CONSENT BILL).

Secretary of the Assembly: Sir, under Standing Order 78 I have to report that one petition has been received relating to the Bill further to amend the Indian Penal Code (amendment of section 375) which was introduced in the Legislative Assembly by Sir Hari Singh Gour. This petition has been presented by certain residents of the Tenali Taluq, Guntur District in Madras.

STATEMENT LAID ON THE TABLE.

FINANCING OF BRANCH LINES.

Mr. G. G. Sim: Sir, I lay on the table the information promised in reply to questions Nos. 278 and 279 asked by Mr. A. Rangaswami Iyengar on the 27th January, 1925, regarding the policy which the Government of India have decided to adopt in regard to the financing of branch and feeder lines.

No. 2131-F.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(RAILWAY BOARD.)

Dated Delhi, the 19th February, 1925.

RESOLUTION.

Financing of Branch Lines.

The Governor General in Council, with the sanction of His Majesty's Secretary of State for India, is pleased to issue the following orders on the subject of Financing of Branch Lines, in supersession of all previous orders on the subject.

Branch and Feeder Lines are constructed under an agreement by which the State guarantees a minimum return on the capital, or alternatively, undertakes that the line shall receive, out of the earnings of the main line from traffic contributed by the branch, such a sum, known as a rebate, as will make up the total earnings of the branch to a given sum, while the branch in each case shares with the main line any profits exceeding the guaranteed minimum.

2. This method of encouraging the construction of lines originated 30 years ago simply because the Government of India was unable to furnish the necessary capital.

3. The Acworth Committee pointed out that this method, while enabling lines to be built which would otherwise not have been built, has no other merit. The financial terms usual before the war are now quite inadequate and if the system is to continue they will have to be revised. All the witnesses before the Committee who asked for a revision of the terms admitted that, if the main line were in a position to build a given branch itself, they would prefer that it should be done by the main line rather than that it should be done as a separate undertaking.

4. Amongst the disadvantages pointed out by the Committee are the following :-

- (i) The Branch Line Company is usually a fifth wheel to the coach. It implies in some cases a separate construction staff; it always implies a separate Board of Directors, and separate accounts.
- (ii) Where the branch is worked by the main line, if its Directors feel that the management is unsatisfactory, they not only make representations to the main line administration, but in the last resort can appeal to the Railway Board which does not make for harmony.
- (iii) Capital raised by a small private undertaking, even with a Government guarantee, will cost more than money raised by the State.
- (iv) Inconceivable confusion results from the multiplication of independent Railway Companies—each company, small or great, desires to reserve for itself a separate sphere of influence; and jealously demands that, if any newcomer intrudes into that sphere, he shall pay toll to the original concessionaire. This only complicates a situation which ought to be considered solely from the point of view of the public interest. Now proposals for the extension or connection of lines by small independent companies are either refused owing to protests by the old company or only permitted on a basis of elaborate accounting between the new company and the old for the profits which hypothetically would have belonged to the old line had the new line not been opened.

5. The only arguments urged in favour of the Branch Line Companies were :

- (i) That money had been raised which the Government of India was unable to furnish.
- (ii) That a claim was made that the Branch Line Company obtained from local sources money that would never be subscribed to a Government loan.
- (iii) That there may be cases of a Branch Line of smaller gauge *worked independently*, which the Branch Line Company can operate more economically than a main line.

6. The Acworth Committee, therefore, so far from approving of this system considered that the aim of the Government should be to reduce by amalgamation the number of existing companies and that it should only be in cases where the State cannot or will not provide adequate funds that private enterprise in this direction should be encouraged.

7. The disadvantages pointed out by the Acworth Committee require to be even further amplified. The existing Branch Line Companies have ceased for some time to raise additional capital for capital requirements. They have either obtained overdrafts from various Banks for this purpose at heavy rates of interest or issued debentures at special rates of interest (usually about 7 per cent.) or in several cases asked for money to be advanced to them by the Railway Board. So far, therefore, from reducing the amount that the Government of India have to raise in the open market, they are at present increasing that amount.

8. Another serious disadvantage which is not mentioned by the Acworth Committee is that the main line usually works the Feeder or Branch Line for a remuneration which, in most cases, is limited to a maximum of a fixed percentage of the gross earnings of the Branch Line (usually 40 per cent. or 50 per cent.)—terms of remuneration which at present are grossly inadequate. The result of this arrangement is that many of the main lines whose working expenses are from 60 to 80 per cent. of the gross earnings are saddled with heavy expenditure which ought to have been debited to Branch Line Companies. Where the Branch Line Companies are “successful,” that is, where the shares stand at a high figure, their profits are inflated owing to their working expenses being thus artificially reduced. Again, where in the case of less “prosperous” Branch Line Companies, the Government has to make a direct subsidy in order to make up the guaranteed interest on the capital, the amount paid by way of subsidy does not reveal the true loss of the Government in connection with the Branch Line Company. To this subsidy should be added also the additional loss incurred from the main line working the Branch Line at less than the actual cost. Even this, however, does not give a complete statement of the loss sustained by Government in connection with these Companies. These Companies have been supplied with land free of charge and the cost of such land is not taken into account either in the Capital or the Revenue Accounts of the Companies concerned.

9. The only real argument in favour of these Companies is that they must be utilised in cases where the Government itself is unable or declines to raise the necessary amount of capital for new constructions. It is doubtful whether such a position is likely to recur in the future. It is admitted that to use the agency of these Companies is a far more expensive method of raising money for the construction of railways than direct Government loans can ever be. The amount of assistance given by Branch Line Companies in the past has been trivial; the total amount of capital raised through the agency of Branch Line Companies has only been about Rs. 10½ crores—an amount which in itself is less than the lapse that occurred last year in the provision for capital expenditure in the Railway Budget.

10. The difficulties and complications now experienced in connection with these Branch Line Companies are out of all proportion to the insignificant financial facilities offered by the Companies. The Government of India have therefore decided that the Branch line policy should be abandoned and that an endeavour should be made to reduce the number of the existing Branch Line Companies. If on any occasion the Government of India should be unable to find funds for construction (which is not the case at present), and should it be considered advisable to tap fresh sources for subscription to railway loans by offering terms different from those given to ordinary Government loans, that is, by offering not only a fixed rate of interest but a share in the profits of a particular Branch Line, there appears to be no particular advantage of using a financial half-way house specially to float a loan on such terms; there appears to be no reason why the Government should not float the loan direct. But it will probably be found sufficient to raise short term debentures at a high rate of interest—to be liquidated when the loan market is favourable—a procedure adopted now by the Branch Line Companies, but at a higher rate of interest than would be necessary for the Government.

11. There remains the case of the District Board Railways for which some of the capital or the security for the capital is secured by a special cess levied by the District Board throughout the district.

The Acworth Committee pointed out that where a District Board was the promoter of a new Branch Line, considerations other than purely commercial came into play with the result of further complications and confusion. In a footnote to the report they referred to the views expressed by the Madras Government who had drawn attention to a case in which, although no short-circuiting was involved, there had been a delay of over 10 years in arriving at a decision in regard to the terms for working

a District Board Railway by the South Indian Railway Company. The amount of capital raised by District Boards for such lines has been only Rs. 137 lakhs while the amount raised by Company lines subsidised by District Boards amounts to Rs. 24 crores. These amounts are insignificant as compared with the total capital raised by the Government and it is clear that the relief afforded to the Government of India in raising the loans is quite disproportionate to the great complications which have resulted in the working of the railway administration. Loans raised direct by the District Boards do not relieve the market of the Government of India; the money is ultimately borrowed from the Government of India.

12. The legal position regarding the powers of District and Local Boards in the matter of railway construction and management depends in part on the Indian Railways Act, 1890, which, in the absence of express exclusion of its application, extends to all District Board railways and, in part, on the nature of the provision made in the matter in the District or Local Boards Act of the province concerned. It is only in the Madras Presidency that the question has assumed prominence and it will suffice to indicate briefly the nature of the provisions contained in the Madras Local Boards Act, 1920. Action under section 113 of that Act can only be taken "with the previous sanction of the Government of India". Having obtained such sanction, a District Board may either itself construct and maintain a railway within, or partly within, the local area under the control of the Board, or may subscribe to any debenture loan raised by the Government of India or by any other local authority or by any company for the construction or maintenance of any railway which the Board considers likely to be of benefit to the district, or may guarantee the payment from the district fund of such sums as it shall think fit as interest on capital expended on any such railway (that is, whether the railway is constructed by the Government of India or by any other local authority or by a Company).

Section 236 of the same Act provides that the accumulations of a local railway cess may be utilised for all or any of the purposes specified in section 113, including the guaranteeing of payment of interest on capital spent on a railway.

A District Board in Madras, therefore, can guarantee the payment from the district fund of the money sufficient to make up the minimum interest on capital expended on a railway within its area whether such railway is constructed by the Government of India or by a Company, the only disadvantage attaching to this particular form of guarantee being that the Act does not make the payment of the guaranteed interest a first charge on the District Board Fund.

13. The Government of India could not reasonably use their powers under the Indian Railways Act, 1890, or under, *e.g.*, section 113 of the Madras Local Boards Act, 1920, to prevent a District Board or a local body from constructing a light railway or a tramway which had no physical connection with any existing main line and which that local body proposed to work itself or through a local company. But as things stand at present there is no reason for continuing the practice under which District Boards are allowed to make money out of Branch Lines connected with a main line when they themselves cannot make any arrangements for the working of the lines and require to have them run by the main lines.

14. These District Board railways must not be confused with the light and feeder railways which constitute a provincial subject under the Devolution Rules. The provincial subject in question comprises "light and feeder railways and extra-municipal tramways in so far as provision for their construction and management is made by provincial legislation." That is to say, it comprises only individual light or feeder railways or extra-municipal tramways for the construction and management of which specific provision has been made by an Act of the local legislature of the province concerned. Hitherto,

as also the qualifying words in entry 5(a)* in the central schedule, have no operation, and all existing railways of every description are included in the central subject defined in the last-named entry. It should also be observed that the provincial subject in question is "subject to legislation by the Indian

* "Railways and extra-municipal tramways, in so far as they are not classified as provincial subjects under entry 6 (d) of Part II of this schedule."

Legislature in the case of any such railway or tramway which is in physical connection with a main line or is built on the same gauge as an adjacent line," the effect being that a provincial bill designed to provide for the construction of a light or feeder railway or extra-municipal tramway in physical connection with a main line or built on the same gauge as an adjacent main line would require the previous sanction of the Governor General under clause (f) of sub-section (3) of section 80A of the Government of India Act; and it may be presumed that few occasions are likely to arise in which provision will be made by local legislation for the construction of a light or feeder railway not answering one or other of these descriptions.

15. The proposals set forth in this Resolution are not designed to evade the legitimate operation of the legal position described, in the case of District Board railways, in paragraph 12 and in the case of provincial light and feeder railways, in paragraph 14; but it follows from the proposals that Local Governments and District or Local Boards should not, in the absence of special circumstances, be encouraged to build branch or feeder lines. In other words, the normal procedure will be the construction by the Government of India, or, at its cost, by a Company, of a branch line which a District Board or Local Government desires to have constructed and is prepared to guarantee. But, should the railway programme not permit the construction of such a line within a reasonable time, the possibility of permitting a District Board or Local Government to construct it from its own funds would require consideration.

Unremunerative Lines.

16. The above proposals relate to the procedure adopted in the past and the procedure which it is proposed to adopt in the future for the financing of the construction of branch or feeder lines expected to prove remunerative from the point of view of railway earnings only. But there are cases where the Local Governments or local authorities may desire that a line should be constructed which will not be remunerative on railway earnings and the construction of which is desired by them for purely local reasons on account of the administrative advantages it is likely to confer or for the development of a particular area. It is proposed that in future the Railway Board in such circumstances should have power to arrange for the construction of the line from railway funds if the Local Government or the local authority guarantees the Railway Board against loss. The guarantee would be to the effect that the local authority would make up the difference between the net earnings and the interest and other charges payable. As it is not desirable that the Central Government should make any profit out of such contributions by local authorities, it is also proposed that where contributions have been made by a local authority for this purpose the repayment of such contributions should be a first charge on any net profits subsequently realised from the line, should the line prove remunerative.

17. The Central Government must, however, retain the power to decide whether a line is to be built or not; the proposals in the preceding paragraph must not be taken to imply that a Local Government by giving a guarantee can require the Railway Board to construct a line. Proposals of a Local Government might run counter to the general railway policy or might take the form of short-circuiting railway traffic and so lead to a reduction of receipts from existing lines.

18. These proposals have been circulated to Local Governments and have been generally welcomed by them as affording a suitable method of reconciling central and local interests and of providing for local bodies and Local Governments a method of securing the construction of railways which may be required for purely local reasons, and which, while not likely to prove remunerative on purely railway earnings, are likely to provide such indirect benefits to Local Governments and local bodies as will more than repay the amounts paid under the guarantee. Several such arrangements have already been made with Local Governments.

Order.—Ordered that a copy of this Resolution be forwarded to all Local Governments and Administrations for information, to all Railway Administrations for information and guidance, and that the Resolution be published in the Supplement to the *Gazette of India* for general information.

J. IZAT,

Secretary, Railway Board.

RAILWAY BUDGET FOR 1925-26.

The Honourable Sir Charles Innes (Member for Commerce and Railways): Sir, I rise to present a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1925-26 in respect of Railways. This is an important occasion for we are inaugurating to-day the new budget procedure which the separation of our railway finance from general finance has rendered possible. Under the convention to which the House agreed last

[Sir Charles Innes.]

September, the Railway contribution to the general revenues of the country is in great part a known figure. That is why I am to-day introducing the Railway Budget in advance of the General Budget. I can do so without giving away any of those secrets which my Honourable Colleague on my right guards so jealously. And in the matter of procedure alone, I hope that the House will agree with me that we get solid advantages from the new procedure. In the first place, I would beg the House to observe that the budget itself is not a mere departmental compilation. The Railway Finance Committee, a Committee elected by this House and containing only one official member, has examined the budget in detail and has approved generally of it. I take this opportunity of thanking them for their labours. As the House will see from the printed proceedings of the Committee which are being circulated, we worked them very hard, and Mr. Sim, their Chairman, tells me that he derived the greatest benefit from their advice and criticism. This year I am afraid that we had to rush them a little. We could not help ourselves, for we ourselves had to work very hard in order to get the budget in its new form ready in time, but in future years I hope we may be able to spread their budget work over a longer period. Again, Sir, another advantage that we derive from the new procedure is that we are able to give the House more time to consider the Railway Budget. A separate day is being given for a general discussion of the Budget, and the House will have four days next week to consider the Railway demands for Grants. This allowance may strike the House as insufficient for a budget which deals with an expenditure amounting to some 90 crores of rupees. But at any rate, it is an improvement on the procedure last year, when six days were set aside for all the demands of the Government of India including railways. And finally, Sir, we have attempted to place the budget before the Assembly in a form which not only gives more information about our Railway finances, but which will facilitate discussion. Last year there were merely two Railway votes—one for capital and one for revenue. This year we have split the budget into 15 votes. Two of them relate to strategic lines. The other thirteen relate to commercial lines. In addition to the general budget memorandum, we are circulating separate notes on each demand, and we are also circulating separate statements regarding each and every railway that comes into our budget. These statements give for each Railway the revised estimate for 1924-25 and the budget estimate for 1925-26. And to each statement an explanatory memorandum is attached. It discusses how the Railway has done this year, what its prospects for next year are, what its programme for development and betterment is, and what expenditure we propose from the Depreciation Fund. We hope that by putting the budget up in this form we shall enable the House to keep an intelligent watch not only on the development of the Indian Railway system as a whole, but on each Railway, and I hope also that the amount of information we are giving to the House will clear away the last vestige of that suspicion which, I think, lurked in the minds of some Honourable Members last September that the object of the separation of Railway finance was to weaken the control of the Assembly over our budget.

Before I leave the question of procedure, I should like to add two remarks. The first is this. We do not regard the form in which we are putting up the budget this year as the last word on the subject of the

best way of presenting the Railway budget to the House. As I have already explained, we were working against time, and we had to devise our own form. But we are quite open to suggestions for improvement, and if any suggestions are made either in the House or by the Railway Finance Committee, they will be most carefully considered before the time of the next budget. My other remark is in the nature of an appeal. We are circulating with the budget papers a statement which shows exactly what activities of the Railway Department each vote covers. We have done that, Sir, in order to let Honourable Members who wish to bring up any particular subject for discussion know under what vote that subject can most appropriately be discussed. I hope that Honourable Members will carefully study the statement in order that our debates may proceed in an orderly and useful manner. I should just like to reinforce the appeal which was made in this House at the beginning of this week by Sir Campbell Rhodes. I hope, Sir, that when Honourable Members put down motions for reductions, they will add a few words to explain exactly what point they wish to raise. I ask them to do this in their own interests as well as in the interests of the Government. For if we know beforehand exactly what subject each motion is intended to bring up, we shall come better prepared to give the information which the Honourable Member wants.

I come now to the budget estimates. They are explained in the budget memorandum and I propose only to deal with the more important figures. My idea is indeed to make to the House more or less the sort of speech which the Chairman of a Board of Directors would make to the shareholders of a Company. (Hear, hear). For I think that it might fairly be said that this is the position at which eventually we hope to arrive.

REVISED ESTIMATE FOR 1924-25.

Revenue.

I take first the revised revenue estimate for the current year. It is still only an estimate of course, but it is the best estimate we could make in the light of the latest figures available when we prepared the budget. I will begin by giving the figures in barest outlines. We place our revised estimate of gross receipts, that is, gross traffic receipts *plus* our share of the profits of subsidized Companies *plus* miscellaneous receipts at 98·01 crores. The figures of course are for commercial lines only. Our revised estimate of our total charges, that is, working expenses *plus* surplus profits paid to Indian States and Railway Companies *plus* interest charges *plus* miscellaneous charges, amounts to 86·77 crores. We hope therefore that the gain from commercial lines during the current year will amount to 11·25 crores.

Comments on Revised Estimate.

Before I proceed to deal with the effect of these figures upon our contribution to general revenues in the current year, which is no doubt the point upon which the House takes a very keen interest, I should like to make one or two comments on these figures. Our gross receipts, if we realise them, will be nearly 5 crores better than the gross receipts of last year and more than 2½ crores better than our budget estimate. I think these are very satisfactory figures, but I do not propose to say very much about them. For the most part, the betterment is due to causes

[Sir Charles Innes.]

beyond our control, namely, good crops and improving trade. Had it not been for the disastrous floods both in North and in South India, our gross receipts would have been better still. But I think that there is one point in which perhaps we might claim a little credit, and it is this. I think that I can say that by more efficient working and by getting better use of our rolling stock we have been able to carry this greatly increased traffic without undue delay and without inconvenience to trade. Our expenditure figures are more interesting. If we exclude interest charges, surplus profits due to Indian States and Railway Companies and miscellaneous charges, we expect our working expenses in the current year to be 62 crores against 59·16 crores last year. But the figure 62 crores requires some explanation. To begin with, it has been decreased by a windfall of 1½ crores. This sum represents a refund to revenue of customs duties paid on stores imported during recent years by Company Railways which according to a recent Privy Council decision they ought not to have paid. If we disregard this windfall, our working expenses this year will amount to 63·25 crores or 4 crores more than last year. But the figures are still misleading. Last year we had no depreciation fund and we charged to revenue only our actual expenditure on what we in those days called programme revenue, i.e., renewals and replacements. In the current year, we charge to revenue our gross appropriations to the Depreciation Fund, namely, 10 crores and not merely our estimated actual expenditure from the fund, namely, 805 lakhs. It is perfectly right that we should charge to revenue these gross appropriations, but merely for the purpose of comparing our working expenses this year with those of last, we should deduct 195 lakhs from the figures 63·25 crores I have just given the House. If we compare the figures in this way, it means that this year we have spent 61·30 crores in order to earn 98 crores. Last year we spent 59·16 crores in order to earn 93·18 crores. In other words, though we have earned nearly 5 crores more, we have spent only 214 lakhs more. It is true that the rise in exchange has helped us to the extent of some 25 lakhs, but even so, the figures are, I think, very satisfactory and reflect great credit on the Railway Board and on the Railway Administrations. The House will remember that the Inchcape Committee set before us the standard that we should aim at earning 5½ per cent. on the capital invested on our Railways. If our revised estimates for this year prove correct, we shall have earned on commercial lines on the capital invested by Government 5·46 per cent., that is, very nearly 5½ per cent. held out as our standard by the Inchcape Committee.

Contribution for 1924-25.

I now come, Sir, to the contribution for 1924-25.

According to the convention agreed to by the Assembly last September, Central Revenues are entitled to receive from the Railways a contribution equal to 1 per cent. of the capital at charge in the penultimate year *plus* 1/5 of the surplus profits in that year. The Assembly also stipulated that if after payment of the contribution so fixed the amount available for transfer to Railway Reserves should exceed 3 crores ½ of the excess over 3 crores should be paid to general revenues. I proceed now to inform the House how much we expect to contribute this year to general revenues.

The House will remember that it was specially arranged that the contribution for the current year should be based not on the figures of 1922-23 (a year in which the profit from Railways was very small) but on those of 1923-24, and that what I may call the fixed contribution for 1924-25 should be repeated in 1925-26. This fixed contribution calculated at 1 per cent. of the capital at charge in 1923-24 plus $\frac{1}{5}$ of the surplus profit of that year amounts to 6,30 lakhs odd. That represents what I may call our fixed contribution for 1924-25 and 1925-26 to general revenues. General revenues have, however, to meet the loss on strategic lines and that loss is taken for purposes of convenience as an offset against the amount due from commercial lines to general revenues. In 1923-24 this loss amounted to 121 lakhs. Therefore the net contribution payable to general revenues in 1924-25 and 1925-26 is 509½ lakhs. But though for convenience sake we pay a net contribution of 509½ lakhs, I would beg the House to observe that they are taking from us under the convention 630 lakhs. Now I mentioned just now that we anticipated that our gain from commercial lines during the current year would be 1,125 lakhs. But the estimated loss this year on strategic lines is 151 lakhs. The net gain therefore is 974 lakhs. From this amount we deduct the net contribution of 509½ lakhs and this leaves a balance of 465 lakhs. This is the amount for disposal. The excess over 3 crores is 165 lakhs. One-third of this or 55 lakhs has to be paid to general revenues and 410 lakhs go to our Railway reserves. The general taxpayer therefore gets a net payment from Railways in the current year of 564 lakhs or more than a crore more than Sir Basil Blackett budgeted for, and we get 410 lakhs into our reserve fund. But I would again emphasise that what the general taxpayer is really taking from commercial lines is not 564 lakhs but 685 lakhs.

BUDGET ESTIMATE FOR 1925-26.

Revenue.

I pass on to the budget estimate for 1925-26, and as in the case of the revised estimate for this year, I will first give a summary of the revenue figures. We are budgeting for gross receipts of 101 crores and for a gross expenditure of 91 crores. If the estimates prove correct, there will be a gain from commercial lines of 10 crores of rupees.

Receipts.

Of course we cannot foresee what the year 1925-26 has in store for us. As I have said, Railway results are peculiarly dependent upon the monsoon and upon the state of trade, and no one can forecast whether or not next year's monsoon will be a good one or not. But for the moment the outlook is promising. It looks as if we might have a bumper wheat crop this year, and we may also hope to carry in the early months of 1925-26 a larger proportion of the cotton crop than usual. At any rate, this year's crop is reported to be bigger than that of last year, and so far less of it has come down to the Ports. Therefore, in the early months of next year we ought to carry more cotton than we did this year. Given, therefore, a normal monsoon and a fair state of trade, we hope that we shall top our figures of this year good though they were, and we are budgeting for gross receipts of 101 crores or three crores in excess of those of this year.

[Sir Charles Innes.]

Expenditure.

As regards expenditure, I neglect for the moment such charges as interest charges and surplus profits paid to Indian States and Railway Companies and confine myself to working expenses proper. I have just explained that if we take no account of the windfall of customs duty, our working expenses this year are expected to amount to 63·25 crores. Next year we are budgeting for a figure of 65·79 crores or 2½ crores more. One reason for this excess is that we hope to make a beginning with a very important improvement, namely, the provision of automatic couplers, and we are providing 70 lakhs for that purpose. I may say that the introduction of automatic couplers should result not only in great economy but also in a diminution of accidents among our staff. We are also setting aside 50 lakhs for speeding up repairs to rolling stock, and we are allotting 50 lakhs to meet the cost of the measures we are now taking to get rid of surplus and unserviceable stores. I should also mention that 26 lakhs have been provided in the budget for the cost of extending to officers of Company Railways the Lee Commission concessions with effect from 1st April last. We have thought it prudent to make this provision in the budget, but I must make it plain that it has not yet been decided whether these benefits should be conferred on the officers of Company Railways in whole or in part or from what date. It is a question which still has to be considered by the Government of India and the Secretary of State. If allowance be made for these additions to our expenditure, it will be seen that we hope to keep the direct cost of operation, if any thing, below this year's figures in spite of the fact that we are budgeting for earnings 3 crores in excess of this year's figures. Our interest charges, owing to the new capital charges we are incurring are likely to be some 82 lakhs higher in 1925-26, and as I have said, we are budgeting in all for total charges amounting to 91 crores of rupees.

Contribution for 1925-26.

I have explained how we have calculated the contribution for 1924-25, and I will not go into the details regarding the contribution for 1925-26. It is sufficient to say that we expect our net contribution for 1925-26 to be 524 lakhs or 40 lakhs less than the contribution for the current year. The reduction is accounted for by the increase in the net receipt of the current year of 125 lakhs due to the refund to revenue of customs duty. This figure, however, is the net contribution. The gross contribution from commercial lines will amount to 645 lakhs, and we expect to pay into our Railway Reserves 328 lakhs of rupees.

Railway Reserves.

If therefore our figures prove correct, we shall have in Railway Reserves at the end of 1925-26 a sum of 738 lakhs of rupees. Now, under the terms of the convention these Railway Reserves are to be used (1) to secure the payment of the annual contribution to general revenues, (2) to provide if necessary for arrears of depreciation and for writing down and writing off capital and (3) to strengthen the financial position of Railways in order that the services rendered to the public may be improved and rates reduced. The House will no doubt want to know whether we propose to make any use of our reserves in 1925-26. The answer is no.

In the first place, our anticipation that at the end of this year we shall be able to place 410 lakhs to Railway Reserves is only an anticipation. Until the actuals of the year are known, we shall not know exactly what sum we have at our disposal in the reserve fund. Still less can we say for certain whether we shall realise our hope that at the end of 1925-26 we shall be able to place another 328 lakhs to reserve. Our estimates for next year are based on a normal monsoon and a fair state of trade. If our hopes in this respect are falsified and if the monsoon is a bad one, we may be able to place nothing at all to reserves. In any case, we have to bear in mind that in 1926-27 we have to pay a contribution, based on the current year's working, of approximately 735 lakhs from commercial lines.

This means that if in that year we make no profits, the whole of our estimated reserves will be absorbed in paying the contribution for that one year. The risk of exchange again has to be borne in mind. A drop in the exchange value of the rupee to 1s. 4d. would increase our revenue charges by $1\frac{1}{4}$ crores, and all things considered we are satisfied that the prudent course is to make no proposals this year for the utilisation of our reserve funds. After all, a reserve of 410 lakhs is less than 1 per cent. of our capital at charge, and it represents only a little more than 4 per cent. of our gross earnings in the current year.

Capital budget, 1924-25.

So far I have dealt only with our revenue budget. I propose now to say a few words about our capital budget. For the current year the Legislative Assembly approved last March of a capital expenditure of 30 crores during the current year. Approximately 25 crores were for rehabilitation and improvement of existing lines and 5 crores were for new construction. The actual amount which it is expected to spend during the current year is only 12.85 crores resulting in a lapse of 17.15 crores. I am prepared to admit at once that the figures are disappointing, but they are not quite so disappointing as they look. I have referred already to our windfall in the shape of a refund of customs duty. That windfall amounts in all to 280 lakhs. 125 lakhs go to revenue. 155 lakhs goes towards reduction of the total capital at charge. We anticipate also that there will be a reduction in the capital locked up in stores amounting to 4 crores. That is to say, our total capital expenditure in the current year is likely to be 18.4 crores, or much the same as last year. Even so, the figures indicate a very considerable short spending, but as the causes of this short spending have been analysed at some length in the Administration Report for last year which we published only a few weeks ago, I shall not weary the House by travelling over the ground again. I will merely say that we hope to effect a considerable improvement in this matter. Indeed as I shall show when I come to the capital budget for 1925-26, we are counting on this improvement manifesting itself next year.

Capital budget for 1925-26.

Agents have informed us that next year they will be able to spend on works approved by the Railway Board 32 crores of rupees. We attach great importance to the earliest possible completion of approved works. The sooner they are completed, the sooner they will begin to pay us a return on our investment. But in view of what I have just said, the House will not be surprised when I say that we regard the estimate of the Agents as optimistic and that we have some doubts whether they will

[Sir Charles Innes.]

be able to spend the full amount asked for. Instead of cutting down the demand, however, we have shown a probable saving of over 9 crores and we are asking the House to vote 6½ crores for new construction and 16·20 crores for open line works.

Open Line Works.

Of the amount asked for by Agents 23·7 crores are required for Open Line works and rolling stock, involving, I may mention, a consequent provision of more than 11 crores from expenditure from the Depreciation Fund. The main purposes to which this money is being devoted are explained in the Budget Memorandum, but the House will, I think, be interested, if I mention just a few of them. We are providing in terms of 4-wheelers for 3,857 new goods wagons and for 822 new coaching vehicles, 755 of these latter being lower class vehicles. Apart from these additions and betterments to lower class carriages, which will cost us nearly 1½ crores, we are spending some 30 lakhs on amenities for 3rd class passengers in the shape of waiting sheds, refreshment rooms, booking facilities, water-supply arrangements and the like. Honourable Members will no doubt have read recently in the Press of the reopening of the electrified Harbour Branch of the Great Indian Peninsula Railway. That constitutes what I am sure will prove to be a landmark in Indian Railway history, for it is the first electric railway in India. We are continuing that work and we are providing 103 lakhs for the electrification of the Great Indian Peninsula suburban line and 77 lakhs for the electrification of the Bombay, Baroda and Central India suburban line into Bombay. 18 important station yards are being remodelled in order to improve our traffic service and to reduce delays to wagons in transit at a cost of nearly 3 crores. More than 3 crores are being spent in remodelling workshops, notably at Charbagh on the Oudh and Rohilkhand Railway, at Trichinopoly on the South Indian Railway, Dohad on the Bombay, Baroda and Central India Railway, and at Perambur on the Madras and Southern Mahratta Railway. 58 lakhs are being spent on doubling certain sections of the Bengal Nagpur Railway. 38 lakhs have been provided for the doubling of the Grand Chord on the East Indian Railway and 34 lakhs for quadrupling the Bandra-Borivli and Bandra-Grant Road sections of the Bombay, Baroda and Central India Railway and the Bassein bridges on the same Railway are being rebuilt.

New construction.

Eight and half crores of rupees are required for new construction. A full list of the lines which are under construction or the construction of which we hope to begin next year will be found in Demand No. 7. There are 40 of them with an aggregate mileage of 2,138 miles, and a reference to that Demand will show that we are embarking on a programme of new construction which will eventually cost more than 44 crores of rupees. It is a large sum of money, but the financial prospects of the various projects have been carefully examined, and we believe that these lines will pay us handsomely. I am confident that the House will thoroughly approve of a bold policy of remunerative railway development. My own conviction is that the best way in which the Government can foster the expansion of Indian trade and Indian industries and thereby increase the wealth and prosperity of India is by extending her railway

system. I do not think it can be denied that we are behind hand in this matter. In this great continent with its 318 million inhabitants we have only 38,000 miles of railway. Contrast England with its 50,000 miles and the U. S. A. with its 250,000 miles. If you look at a map of India, you see great gaps in which there are no railways. The Rajpur-Parvati-pur Railway—a railway I may mention in passing the construction of which is dependent on the opening of a harbour at Vizagapatam—will fill in one of these gaps. It will open up a great tract of 125,000 square miles which at present is entirely without railway communication. Incidentally it will provide the east of the Central Provinces with an outlet to the sea. The central coalfields railway will fill in another gap. Madras has always complained that she has been starved of railway development, and in the south of the Presidency we hope to take up four projects covering some 300 miles of railway, namely, the Villupuram-Trichinopoly, Virudunagar-Tenkasi, Dindigul-Pollachi and Trichinopoly-Karaikudi lines. It is the same with Burma and we have several lines either under construction or in the programme for that country. I may mention that the Chief Commissioner and Mr. Sim paid a prolonged visit to Burma last December, and discussed railway development in Burma with Sir Harcourt Butler and his Government. That is part of our policy now. The Railway Board by frequent tours tries to keep in closest possible touch with Local Governments in regard to railway matters.

New policy in regard to Branch and Feeder Railways.

What I have just said about our proposals for new construction leads on to a reference to the new policy which we have formulated, in consultation with the Central Advisory Council, in regard to Branch and Feeder Lines. The House is no doubt aware that 30 years ago when the Government of India themselves were in difficulties for money for new capital expenditure, a system was originated of financing the construction of Branch and Feeder lines through Branch Line Companies guaranteed by Government. For the encouragement of such Companies, Branch Line terms were drawn up and were kept on tap. These were the terms on which Government were prepared to give to private Companies for money required for the construction of Branch or Feeder lines. This system undoubtedly enabled lines to be built which otherwise would not have been built, but in other respect it came in for severe criticism from the Acworth Committee, which indeed thought that the aim should be rather to reduce the number of existing private Companies than to create new ones. We have recently had the whole subject under our consideration. The existing Branch Line terms are quite out of date. If they are to serve the purpose for which they were originally intended, we should have to revise them on much more liberal lines, and with the approval of the Central Advisory Council we do not propose to undertake that revision. We think that the more economical and better course is for us to construct ourselves remunerative new lines. I do not think that the House need fear that this policy will lead to a slowing down of new construction. In the Railway Board we have new projects under constant examination, and indeed the capital expenditure on the new projects included in Demand No. 7 is four times as great as all the capital raised in the last 30 years by Branch Line Companies. Nor do we propose to neglect projects which, though they cannot be classed as remunerative, may be required by Local Governments for administrative or other reasons. We are quite prepared to consider any such project, provided that the Local Government is prepared to guarantee it from provincial revenues.

[Sir Charles Innes.]

Local Governments thoroughly approve of this policy, and we are already constructing two new lines on this basis, the Shoranur-Nilambur line in Madras and the Moulmein-Ye line in Burma. Other projects are under examination.

Compensation claims.

Before I leave the Budget proper, there are one or two special points to which I wish to draw attention. One is that of compensation claims. In 1922-23 the amount paid out in compensation claims reached the enormous figure of 121 lakhs, a figure which very naturally attracted unfavourable comment from the Incheape Committee. In 1923-24 we succeeded in reducing payments under this head to 78 lakhs. This year we hope that there will be a further fall to 67 lakhs and in 1926-27 we are providing only 47 lakhs. This substantial reduction has been effected by unremitting work on the part of the Railway Administrations and the Railway Board. Improvements in office procedure have enabled claims to be disposed of more expeditiously; watch and ward staffs have been strengthened; and generally better arrangements have been made to cope with what is a very serious evil.

Coal contracts.

The other matter to which I wish to refer specially is our coal bill. Last year by negotiations in Calcutta the Railway Board managed to secure a revision of the coal contracts which pressed so hardly upon us. We have also been devoting special attention to economy in fuel consumption, and the result is that in spite of the very much larger traffic carried in the current year than in 1923-24, we expect our total coal bill to be less by 18 lakhs than it was last year. In 1925-26, in spite again of the further increase of traffic for which we are estimating we hope for a further reduction of 19 lakhs in our expenditure on coal.

Indianisation.

Before I sit down there are one or two other matters to which, I think, the House will wish me to refer in spite of the fact that they are not directly concerned with finance. One of course is the question of Indianisation. Three statements have been included in the Budget Memorandum, giving the number of Indians, Anglo-Indians and Europeans in the gazetted ranks of Indian Railways, and similar statistics for subordinate posts carrying a pay rising to Rs. 250 per mensem and over. These statements show that in the 12 months ending October 1924 the number of Indians in superior appointments rose from 280 to 310 and the number of Indian upper subordinates from 1,821 to 1,929. On State Railways other than the E. I. Railway, which we have only just taken over, Indians already fill about 30 per cent. of gazetted posts, and though I suppose the Railway Department has the reputation of being the most stiff-necked Department of all in this matter, I do not believe there is any department or at any rate very few, which can show equal results. But what I am concerned with is the future rather than the past. We have accepted the recommendation of the Lee Report that 75 per cent. of recruits for Superior Departments in the Railway Service should be recruited in India, and what I wish to say is that the provisional proposals of the Railway Board in regard to recruitment and

training which have been formulated in order to carry the above recommendation into practical effect are now ready, and I hope to discuss them with the Central Advisory Council before the present session ends. Honourable Members are apt to complain that few Indians have risen to high posts in the Railways and none to the Railway Board. That is true. But they must remember that it is only in recent years that Indians have joined the gazetted ranks of railway offices in any number, and time must be allowed for them to find their way to the top. The question of subordinate posts is much more difficult. In one sense, of course, it is not a racial question at all. It is rather a communal question. To a very large extent the Subordinate Railway Service is already Indianised in that the posts are largely held by Anglo-Indians. Leaving this point aside, the difficulty is this. When railways were first started in India and for many years afterwards, Indians did not come forward for work of this kind, and railways got more and more into the habit of relying on the European of the country and the Anglo-Indian. It is work for which the Anglo-Indian appears to be specially fitted. Possibly he has acquired a sort of hereditary aptitude for it. At any rate, he has made good, the railway authorities are accustomed to him and like to employ him in subordinate railway appointments. Now there is a change. Indians wish also to be employed in these appointments, and they complain that they are up against vested interests and that the subordinate railway employ is, so to speak, the close preserve of the Anglo-Indian. The complaint, I think, is specially directed towards the subordinate Traffic Department and indeed it is a noticeable fact that at all important stations almost every railway official in a position of authority that one sees is a European or an Anglo-Indian. Now all I can say on this problem is this. It is impossible to make any immediate drastic change. I am not prepared to say that Anglo-Indians or Europeans who are working well should lose their jobs or their promotion in order to make way for Indians and I do not believe anybody wants me to say that. But what I do say is that the Indian should have his chance. If the Indian of the requisite education is prepared to go through the drudgery, the hard work and the irregular hours, which are a prerequisite to promotion to the better posts in the subordinate traffic service, then I say he should get the chance of doing so, and, if he proves himself fit for promotion, he then should get his promotion. That I consider is the only possible policy, and it is, with this policy in view that we are starting a training school on the 1st March at Chandausi. One of the functions of this school will be to train subordinates particularly for the Transportation Department.

Stores Purchase Policy.

Another important question to which the House attaches great importance is the extent to which railway materials are obtained in India. In the report by the Railway Board on Indian Railways for 1923-24 the matter is discussed at length and the purchases of materials are analysed in detail under each head. From the detailed explanations there given, it will be seen that orders have been placed in India wherever possible, and that it has only been in cases where it was found impossible to obtain materials in India at a reasonable price that orders have gone abroad. In the supply of rails, for example, orders were placed in this country which were greater than the Tata Iron and Steel Company were able to comply with. In the current year two important developments in this

[Sir Charles Innes.]

matter have taken place. Owing to the adoption by the Assembly of the recommendations of the Tariff Board for the grant of bounties to the wagon building industry, we have been able to place orders for the supply of wagons up to the full capacity of the firms in India engaged in the industry. It has also been decided, with the concurrence of the Central Advisory Council, to obtain the services of a timber expert from the Forest Department in order to enable the railways to make full use of the supply of Indian timbers, not only for sleepers but for other purposes such as body work in coaching stock. I think we can confidently challenge any one to show that orders have gone abroad which could reasonably have been placed in India.

Passenger fares.

Another question in which the House I know takes a great interest is that of passenger fares, and I believe that there is a certain soreness that whereas some reductions have been made in upper class fares, third class fares have remained untouched. I should just like to explain the railway point of view. We apply the practical railway criterion, 'Can the traffic bear the rate?' Now I would ask the House to apply this maxim to the figures I shall put before them. The following are the relevant statistics in regard to 1st class passengers:—

Year.	Number (thousands).	Earnings (lakhs).
1921-22	1163	138
1922-23	918	139
1923-24	817	129

It will be seen that we lost not only in passengers but in earnings. That is why some railways judged it necessary to reduce 1st class fares.

Take again 2nd class passengers. Here are the figures.

Year.	Number (thousands).	Earnings (lakhs).
1921-22	654	228
1922-23	5124	211
1923-24	4538	195

Here again we found that the rate was too high and there was a progressive decline both in passengers and earnings. That is why some railways found it necessary to reduce fares.

Now I would ask the House to contrast the figures for third class passengers:—

Year.	Number (millions).	Earnings (lakhs).
1921-22	491	2,841
1922-23	503	3,220
1923-24	513	3,291

It will be seen that there was a progressive increase both in passengers and earnings. The annual rate of increase perhaps is slower than it was before the war, and it might be argued that a reduction in fares would

pay us by the increase of passengers it would bring us. But in the first place we should be taking risks. If there were no increase of passengers traffic, even a reduction of $\frac{1}{2}$ a pie per mile in 3rd class fares would cost us 4½ crores a year. Secondly, even assuming that there were a large increase in passenger traffic, it is certain that we should not have sufficient coaching stock to carry the increased traffic. I have already said that we are providing in the budget in terms of four-wheelers for 755 new third class carriages. The provision we have made is limited by the capacity of our workshops, and we propose to consider in consultation of course with the Railway Finance Committee whether we cannot adopt other measures which will enable us to put more coaching stock on the lines. That, I think, is all I can usefully say on the subject at present; but I should like to assure the House that it is a subject which we have under constant examination.

CONCLUSION.

I am afraid that I have already wearied the House and I will bring my speech to a close. The year which is now ending has been marked by many important events. Two of these indeed are of outstanding importance, namely, the taking over the East Indian Railway and the separation of Railway finance from General finance. But the real importance of the year in my opinion lies in the evidence it affords of a real advance towards live, efficient, business management of the Indian Railways. Some one said the other day in the Central Advisory Council that there was a new spirit abroad in the Railway Board. I believe that remark to be true, and if it is true, the credit rests with two men, Mr. Hindley and Mr. Sim. But, Sir, it is not only in the Railway Board that that new spirit is abroad, and we, who are ultimately responsible to the House for the management of the Indian Railway system, know how much we are indebted, for loyal co-operation and unremitting work, to Railway Agents and Railway officers and men throughout India.

RESOLUTION *RE* APPOINTMENT OF TWO MEMBERS OF THE ASSEMBLY TO THE GOVERNING BODY OF THE LADY HARDINGE MEDICAL COLLEGE, DELHI.

Mr. J. W. Bhore (Secretary: Department of Education, Health and Lands): Sir, I do not propose to-day to move the Resolution* that stands in my name.

THE OBSCENE PUBLICATIONS BILL—*contd.*

Mr. President: The House will now resume consideration of the report of the Select Committee on the Obscene Publications Bill. The question already proposed was that clause 2 stand part of the Bill.

* "This Assembly recommends to the Governor General in Council that he may be pleased to take steps to secure the appointment to the Governing Body of the Lady Hardinge Medical College, Delhi, of two members of this House to be nominated by him from a panel of six members to be elected by this House."

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muham-
madan): Sir, I beg to move:

"That the following words be substituted for the *Exception* appended to section 292 :

'Explanation. A thing is not obscene if it is kept or used for a purpose religious, artistic or scientific.'"

Sir, I think it is the general sense of the House, at any rate I believe it was the general sense of the House on the last occasion when this Bill was under discussion, that the *Exception* which the Select Committee have recognised in their report should be embodied in the section itself. On that occasion I pointed out that the word "obscene" has not been defined and I do not think it is definable. But when you have made an *Exception* that *Exception* either should be exhaustive or it should be removed from the section altogether. The view of the Select Committee was, Sir, that the case-law on the subject should supplement the *Exception*. I submit, Sir, that the case-law cannot supplement the *Exception*. The case-law grew after the enactment of the Act of 1860 and consequently at that time there being no revision of the Code the case-law held the field. But now that we are re-enacting the section and redrafting the whole thing, if we do not take note of the case-law and embody it in the Statute law it will be open for anyone to argue hereafter that the Legislature, having re-enacted the old section, must be deemed to have examined and rejected the view of the case-law. In that view, Sir, I submit that we must either make our *Exception* as exhaustive as possible or take away the *Exception* altogether, in which case it will be left to the Judge or the Magistrate concerned to interpret the meaning of the word "obscene". But to give some guide to the judiciary concerned, I suggest the addition of this *Explanation*, namely:

"A thing is not obscene if it is kept or used for a purpose religious, artistic or scientific."

Honourable Members will find (*Pandit Motilal Nehru*: "What is an artistic purpose"?) That is in the Report of the Select Committee itself. They mean pictures, sculptures and the rest preserved in the museum or in the National Gallery. I mean pictures that are kept for the purposes of art; for instance we have got in the British Museum and National Galleries in London certain nude figures and pictures and they are being used for artistic purposes by painters and sculptors who copy them. (*Pandit Sham Lal Nehru*: "Are there any in India"?) There are in Calcutta; I have seen them in the Museum; and the Select Committee took note of that fact, and it is covered by the case-law itself, namely, that a thing shall not be deemed to be obscene if it is kept or used for a purpose religious, artistic or scientific. I do not suggest, Sir, that this is in every way a satisfactory draft (Laughter), and I would, therefore, have suggested that the whole thing should be recommitted to the Select Committee for the examination of this question so that they may be able to report upon it and those who object to this draft will suggest any amendment. It is the best thing that I have been able to do for the purpose of bringing out the sense of the terms of my amendment, the reasons for which I gave to the House on the last day. I move my amendment.

Mr. President: Amendment moved:

"That in clause 2 for the *Exception* to the proposed section 292 the following *Explanation* be substituted, namely:

'Explanation. A thing is not obscene if it is kept or used for a purpose religious, artistic or scientific.'"

The Honourable Sir Alexander Muddiman (Home Member): Sir, I do not wish to criticise the action of the House but I think that by carrying the amendment it carried the other day it has put itself in a rather difficult position, and I think that is clearly illustrated by the amendment which my Honourable friend has now put forward. Now, the law as I see it is fairly clear. Section 292 makes a substantive enactment and it contains an *Exception*, and I think it is as well that I should read that *Exception* to the House as there seems to be some misconception on the subject. The *Exception* as it now stands in the law is as follows:

“This section does not extend to any representation sculptured, engraved, painted or otherwise represented on or in any temple, or on any car used for the conveyance of idols, or kept or used for any religious purpose.”

Now, I think the House will see that this is quite clear. It was designed, and I have no doubt rightly designed, to prevent these representations on or in temples or on cars being agitated in the courts at all. The Legislature of the period excluded them from the consideration of the courts where these particular representations were on or in temples. They did not consider whether they were obscene or not obscene; they did not consider whether they were *bona fide* or *mala fide*; they took what I think was the right line; they excluded them entirely in the circumstances stated from the operation of this section which creates a special offence; they wiped them out.

Now, my Honourable friend proposes to move an amendment which would have the effect of destroying the law as it now stands; on that point at any rate I think he will agree; he proposes to substitute for the *Exception* his own *Explanation*. Therefore the first point I have to make is that representations on or in temples and on cars for the conveyance of idols might be agitated in the courts; I cannot believe that is desirable. The law as I have stated it has been the law since the Penal Code was enacted sixty-five years ago; and I appeal to the House that on a side-issue of this kind to withdraw an *Exception* of that sort without consulting Local Governments and local opinion would be extremely undesirable. That is my personal view of the matter.* If that was the only ground I shall have no hesitation in opposing the amendment that has been brought forward by my Honourable friend, Sir Hari Singh Gour.

What are the circumstances of this Bill which we are now dealing with? This is a Bill intended to widen the offence created by the section; but it is not intended to affect in the least the question of what is obscene or what is not obscene; and once you begin affecting that, then you raise a very wide question. Now the amendment moved the other day and carried by the House inserted in this *Exception* another element altogether; it raised the question of *bona fides*; that is quite different from anything contained in the *Exception* at all. The question of *bona fide*, as the law now stands, can only arise when the *Exception* does not operate; it does not arise at all otherwise; it will arise whether it is confined to religious books or any other kind of books. It arises on a trial for any obscene matter whether that matter be religious or otherwise. The defence of *bona fides* covers all these things which you find so difficult and which you will find even more difficult, which are contained in my friend's amendment—religious, artistic or scientific. The question which the courts must consider is what were the circumstances of the publication. I have tried to point out to this House before, when we were dealing with the former amendment, that the whole of this offence turns very largely on the circumstances. A book written for medical students is very fit to be circulated among them;

[Sir Alexander Muddiman.]

a book of that character that is issued in a popular form and is circulated to a girl's school, as I said before, is obviously most undesirable. Again it is quite reasonable that art students should be supplied with certain diagrams and pictures which would not be desirable for public presentation. You have now got into this position that you are affecting the defence of *bona fides* by inserting the words that you have inserted; and if you cut out the *Exception* which exists in the Code as proposed by my Honourable friend, you will now affect the law which has been good law in India for sixty years. I think in the circumstances of the country it would be most undesirable to do this. I at any rate as Home Member should very greatly deprecate anything which would enable a court in any part of the country to go into this question of whether representations in or on temples or on cars used for religious purposes possibly fall within the section. You will create very considerable feeling; you will be making a large amendment in the law on a pure side-issue. I do ask this House really to consider very seriously whether, when we bring up a small Bill of this kind, you should cast doubt on an important section in the Code in the way which is suggested; and I would ask the House therefore to reject the amendment that has been brought forward by my Honourable friend.

The motion was negatived.

Pandit Shamlal Nehru (Meerut Division: Non-Muhammadan Rural): Sir, I beg to move:

"That in clause 2, in the *Exception* to the proposed section 292 of the Indian Penal Code, the words 'or on any car used for the conveyance of idols, or kept or used for any religious purpose' be deleted."

My reason for moving this amendment is . .

Diwan Bahadur T. Rangachariar: (Madras City: Non-Muhammadan Urban): May I rise to a point of order, whether this is not covered by the amendment already carried by this House? We have already carried an amendment extending the *Exception* to things kept for religious purposes; my friend wants to limit it now. I want to know whether the vote already carried in Mr. Rama Iyengar's amendment extending the scope of this section does not cover the present amendment. I do not know whether this is in order now?

Mr. President: We have extended the scope of the *Exception* by the inclusion of the words "books, pamphlets, writing, drawing or painting kept or used *bona fide* for religious purposes", but that does not preclude the Honourable Member from moving to exclude the words "or on any car, etc".

Pandit Shamlal Nehru: Sir, my reason for moving this amendment is that obscene pictures, drawings, engravings or carvings or anything obscene are no part of the Hindu religion. I would have excluded the temples also from the *Exception*, but some of these buildings are hundreds and thousands of years old, and I did not like to interfere with them. Some of the cars in which the idols are taken through the cities have most objectionable figures painted or carved or drawn on them. Even supposing that this was allowed by religion or that they were supposed to be religious pictures, have I as a Hindu any right to force these abominable pictures on the passers-by, I mean on those who do not believe in my religion? (A Voice: "Don't look at them").

Mr. Gaya Prasad Singh: (Tirhut Division: Non-Muhammadan): You must shut your eyes.

Pandit Shamlal Nehru: Yes, I must shut my eyes to whatever my friend Mr. Gaya Prasad Singh does, whether it is obscene or not, but he must be allowed to do what he likes. Sir, it is a calumny to say that these obscene pictures are a part of the Hindu religion. Honourable Members of this House, most of them at least, have perhaps not seen these obscene pictures, otherwise they would not have agreed to the *Exceptions* at all. The Government too, I believe, Sir, have not shown these pictures to the Select Committee. Some of the pictures are so abominable that they are not fit for any decent person to even talk of them, and I think the Government have done well to keep these pictures to themselves without showing them to this House.

Sir, the *Exception* added to this clause the day before yesterday by this House is, in my opinion, a most objectionable one. It has been done in the name of religion, and Members who were in favour of the *Exception* have been talking of it as a part of their religion—I am speaking of Mr. Rama Aiyangar's amendment which has been accepted by this House. May I ask, if any person in this House who believes in it as a part of his religion, and whose duty is to bring up his children religiously from their childhood, will show these pictures, paintings or carvings to his daughters and grand-daughters? If it is a part of his religion, I think it will be his duty to do so, but I do not think that there is any person on the face of the earth who will show these obscene pictures and drawings to his daughters and grand-daughters. Sir, if he refuses to do that, he will be quite right, and if he does show these pictures to his children on the ground that it is a part of his religion to do so, then I think there ought to be a special Ordinance to deal with that man. After all, Sir, a religious procession is a procession of the idol and not of the obscene pictures engraved or painted on the cars. These pictures or paintings in most cases have not remained on the cars for hundreds and thousands of years as in the case of temples. In most cases they are fresh, and I think it is high time that the painting, drawing or carving of such obscene pictures should be put a stop to once for all.

Mr. H. Tonkinson (Home Department: Nominated Official): Sir, I do not think it is necessary to say very much in regard to the amendment which has just been moved by my friend Pandit Shamlal Nehru. The arguments used by the Honourable the Home Member in regard to the last amendment, Sir, apply equally to this one. My Honourable friend proposes to delete a portion of the *Exception* to section 292 of the Code, which has been there since the Code was enacted. The framers of the Code, Sir, with what we might call a common sense appreciation of the position in India, decided that in those cases there was to be no question of whether such articles were obscene or not being brought to court. I submit, Sir, that it would be impossible for us to permit of any informer with perhaps the most excellent, but may be mistaken, motives, bringing such cases as these to court. We must, Sir, adhere to the position that in these cases, the objects, etc., shall be quite outside the scope of the section. I oppose the amendment.

The motion was negatived.

Mr. Devaki Prasad Sinha (Chota Nagpur Division: Non-Muhammadan): Sir, my friend Pandit Shamlal Nehru evidently believes that each human being is potentially a moral rake and that his moral instincts are so vulnerable as to require a legislative fortification

Mr. L. Graham (Secretary, Legislative Department): I am very loth to interrupt the Honourable Member, but may I know, Sir, how he distinguishes this amendment from that of Sir Hari Singh Gour which the House has already rejected?

Mr. Devaki Prasad Sinha: I shall point it out presently.

Mr. President: It is much narrower in scope.

Mr. Devaki Prasad Sinha: I have no quarrel with my friend Pandit Shamlal Nehru, nor have I any quarrel with the Government of India who have chosen to follow in this case the advice of faddists and Pharisees in introducing a legislation of this kind. My apology for coming forward with this amendment is that it is much narrower in scope, as you observed, Sir, than the amendment of Sir Hari Singh Gour, which the House has just now rejected. What I desire to do by my amendment is to add the words "or to any work of art, science or literature" to the *Exception* to the proposed section 292 in clause 2 of the Bill. That means that not only such objects as may be considered necessary for religious purposes, but also objects that can be classified as works of art, science or literature should be excluded from the operation of this Bill.

Pandit Shamlal Nehru: May I inquire, Sir, if the Honourable gentleman can see any art in obscenity?

Sir Hari Singh Gour: He is begging the whole question.

Mr. Devaki Prasad Sinha: Sir, the sense of art is entirely a personal quality, and obscenity, if I may say so, is entirely subjective. I do not, like my Honourable friend Pandit Shamlal Nehru, see anything that is intrinsically obscene for after all, if we analyse all objects, we shall find that the most obscene object on earth is man himself. But, Sir, I ask the House seriously to consider if they at all desire that works of art that are appreciated in every country and are appreciated in India too should be prevented from having a circulation or a sale in this country. Unless we have some such provision it would be very difficult for anybody who has some artistic sense in him to be in possession of a picture which he values, not a picture which can be described as an immoral or obscene picture, but a picture which to some appears as a work of art but to a few others like my friend Pandit Shamlal Nehru appears to be highly obscene.

Pandit Shamlal Nehru: May I inform the Honourable Member, Sir, that nudity and obscenity are two different things, and this Bill refers only to obscenity.

Mr. Devaki Prasad Sinha: I hope my friend Pandit Shamlal Nehru will remember this distinction. Sir, the Honourable the Home Member has said that a book of anatomy or physiology which may be very necessary for a student of medicine is very dangerous in the hands of an ordinary layman like myself. But, I will give him one concrete example. Take, for instance, the books written by Marie Stopes. What would my Honourable friend, the Home Member, say if he finds a book of that kind in the hands of some Members of this Assembly?

The Honourable Sir Alexander Muddiman: Possession *per se* is not an offence.

Mr. Devaki Prasad Sinha: I don't see, Sir, how anybody who desires to be in possession of a book of that kind can at all get it if that book is not for sale. Sir, I hope that this House will not look upon this question merely from the sentimental point of view. I hope, Sir, that this House is not altogether devoid of a sense of humour. There are certain things, I admit, which it would be very undesirable to be exposed to the public view either in a shop or in any other place, but, Sir, there are certain other objects about which there can be an honest difference of opinion. Certain works of art and science and literature which can honestly admit of a difference of opinion should not be the subject of a legislation of this kind. I could multiply examples. There have been instances in the history of other countries which ought to give us a warning. Sir, we know that for a long time books written by Ibsen or by Oscar Wilde were held to be obscene in England. I don't know what view the Government of India or the Magistrates in this country would take when they find that those books are for sale. But, Sir, I submit that there is a very great danger of persons who want to read those books merely for the development of their intellect or for satisfying their sense of art, there is a very great danger that these persons might be prevented from getting at those books. I believe, Sir, that this House will look at this question in a dispassionate way and will not prevent people who are very anxious to form an independent opinion on certain things in the world from doing so.

With these words, Sir, I commend my amendment to the acceptance of the House.

Sir Geoffrey Clarke (Director General of Posts and Telegraphs): Sir, I think there are few people in the country who have more to do with obscene literature than I have. May I read two clauses in the Postal Guide?

“GENERAL PROHIBITIONS IN THE POST OFFICE.

(1) Any indecent or obscene printing, painting, photograph, lithograph, engraving, book or card, or any other indecent or obscene article.

(2) Any letter, post-card, newspaper, packet or parcel having on it any words, marks, or designs of an indecent, obscene, seditious, scurrilous, threatening or grossly offensive nature.”

Now, in the Post Office I am continually asked to adjudicate on things that are supposed to be obscene, and I think that the discussion in this House has shown what a very difficult matter it is to define this word “obscene.” To people who are brought up on puritanical lines obscenity is one thing and to artists and people of liberal views it has an entirely different meaning. Really, I think the whole question behind obscenity is the question of motive. Pandit Shamlal Nehru talked of certain designs and characters on religious cars. I think he must know that in the history not only of the Hindu religion but of all religions, phallic emblems and things of that sort were designed for a particular purpose and have behind them really no intention and no idea of obscenity. These emblems did not convey any ideas of that kind at all to the people who originally designed them and it is only modern civilisation, if I may call it that, Sir, that has placed a wrong interpretation on these things. Now, I think the Home Member has clearly pointed out that in dealing with a case of this kind it is very dangerous to touch on these religious questions at all, and they ought to be kept entirely outside the law courts and that is the object of the *Exception*. But, as regards literature which my Honourable friend has included in his amendment, it is very difficult to decide what literature is obscene. The French who are perhaps in this respect the most

Mr. L. Graham (Secretary, Legislative Department): I am very loth to interrupt the Honourable Member, but may I know, Sir, how he distinguishes this amendment from that of Sir Hari Singh Gour which the House has already rejected?

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Mr. Devaki Prasad Sinha: I don't see, Sir, how anybody who desires to be in possession of a book of that kind can at all get it if that book is not for sale. Sir, I hope that this House will not look upon this question merely from the sentimental point of view. I hope, Sir, that this House is not altogether devoid of a sense of humour. There are certain things, I admit, which it would be very undesirable to be exposed to the public view either in a shop or in any other place, but, Sir, there are certain other objects about which there can be an honest difference of opinion. Certain works of art and science and literature which can honestly admit of a difference of opinion should not be the subject of a legislation of this kind. I could multiply examples. There have been instances in the history of other countries which ought to give us a warning. Sir, we know that for a long time books written by Ibsen or by Oscar Wilde were held to be obscene in England. I don't know what view the Government of India or the Magistrates in this country would take when they find that those books are for sale. But, Sir, I submit that there is a very great danger of persons who want to read those books merely for the development of their intellect or for satisfying their sense of art, there is a very great danger that these persons might be prevented from getting at those books. I believe, Sir, that this House will look at this question in a dispassionate way and will not prevent people who are very anxious to form an independent opinion on certain things in the world from doing so.

With these words, Sir, I commend my amendment to the acceptance of the House.

Sir Geoffrey Clarke (Director General of Posts and Telegraphs): Sir, I think there are few people in the country who have more to do with obscene literature than I have. May I read two clauses in the Postal Guide?

“GENERAL PROHIBITIONS IN THE POST OFFICE.

(1) Any indecent or obscene printing, painting, photograph, lithograph, engraving, book or card, or any other indecent or obscene article.

(2) Any letter, post-card, newspaper, packet or parcel having on it any words, marks, or designs of an indecent, obscene, seditious, scurrilous, threatening or grossly offensive nature.”

Now, in the Post Office I am continually asked to adjudicate on things that are supposed to be obscene, and I think that the discussion in this House has shown what a very difficult matter it is to define this word “obscene.” To people who are brought up on puritanical lines obscenity is one thing and to artists and people of liberal views it has an entirely different meaning. Really, I think the whole question behind obscenity is the question of motive. Pandit Shamlal Nehru talked of certain designs and characters on religious cars. I think he must know that in the history not only of the Hindu religion but of all religions, phallic emblems and things of that sort were designed for a particular purpose and have behind them really no intention and no idea of obscenity. These emblems did not convey any ideas of that kind at all to the people who originally designed them and it is only modern civilisation, if I may call it that, Sir, that has placed a wrong interpretation on these things. Now, I think the Home Member has clearly pointed out that in dealing with a case of this kind it is very dangerous to touch on these religious questions at all, and they ought to be kept entirely outside the law courts and that is the object of the *Exception*. But, as regards literature which my Honourable friend has included in his amendment, it is very difficult to decide what literature is obscene. The French who are perhaps in this respect the most

[Sir Geoffrey Clarke.]

liberal-minded people in the world have recently banned a book called "La Garçonne". Well, now, "La Garçonne" is a book which some people may not consider obscene but the motive behind it is probably an immoral motive, and it is the motive you have got to look at. But with respect to all pictures and works of art, nudity must never, as the Honourable Member has remarked, be confounded with obscenity. Those are matters which must be left alone and it is almost impossible to bring them within the law. I think that it is very dangerous to refer to any of these matters. They are very much a matter for a common-sense decision. I consider that the law as laid down by the Select Committee ought to be left as it is.

Mr. Chaman Lall (West Punjab: Non-Muhammadan): Sir, the very fact that the Honourable the Director General in his very able and excellent speech has stated that there is a book called "La Garçonne" which in his opinion has an immoral motive behind it and is therefore an obscene book, is sufficient indication of the fact that we hold very divergent views on the question of what is obscene and what is not obscene; and that it is therefore very essential, no matter what Dr. Gour may say as to the case-law on the point, that we must lay down the law very definitely and exclude all branches of literature, art and scientific works from the purview of this Bill. I have the book "*La Garçonne*" with me and I will make a present of it to the Honourable the Director General. I can assure him that I have read both the French and the English versions of that book and that the English version, which has cut out all the crucial passages occurring in the French edition, is the one that is obscene if the word obscenity can be applied to that book at all. I just want to draw the attention of the House to the one crucial point. What is obscenity? The answer has been given by the Director General. You must look to the motive. I have not the slightest doubt that, if you were to place works of eminent authors before the ordinary Magistrate to-day, authors like Tolstoy or Rousseau or Goethe or Strindberg, you will find that most of these books would be considered absolutely obscene by the average Magistrate.

Mr. M. A. Jinnah: Question? .

Mr. Chaman Lall: The Honourable Member has not read Rousseau. Let him read Rousseau and then come to me and tell me whether he considers Rousseau to be obscene in the sense in which the average ordinary Magistrate will consider him to be.

Mr. M. A. Jinnah: What do you know about the ordinary Magistrate?

Mr. Chaman Lall: I know enough about ordinary Magistrates to know this that they are an ignorant lot, and I know perfectly well that when even a cultured gentleman of the type of the Honourable the Director General gets up and condemns a book which has been highly praised by a great author of the eminence and renown of Anatole France, it must be true that the ordinary uneducated, first class Magistrate is bound to condemn even the highest works of art. (Turning to Mr. Jinnah.) Have you read Tolstoy's diaries? I can point out passages in Tolstoy's diaries which no Magistrate would pass without condemning. Have you come across Strindberg's confessions? You have not. You must read these books and you will then find that even the works of most eminent authors,—and, as

my Honourable friend Mr. Bipin Chandra Pal pointed out yesterday, even the Canticles of Solomon, would be condemned by the average Magistrate because he knows no better. It is because we want to avoid the danger of placing high works of art and literature at the mercy of the average Magistrate that we are putting this amendment before you. You know perfectly well that, as far as literature is concerned, the blasphemer of to-day may be the prophet of to-morrow, and that in the realm of literature Christ is being crucified every day in every part of the world. It is because we want to prevent the massacre of great works of art and literature, because we want to place great artists and great authors beyond the clutches of the policeman, the hangman and the Magistrate, that we ask you to accept this amendment. This amendment will protect works of art and literature. That is all that we ask for, namely, that you should not leave works of art and literature at the mercy of ignorant people.

Mr. M. A. Jinnah:* (Bombay City: Muhammadan Urban): Sir, the eloquent speech of Mr. Chaman Lall has forced me to say a few words. It seems, Sir, that Mr. Chaman Lall is always suffering from some nightmare or other and he conjures up his young imagination to such a high pitch that he wants to use the axe or the bludgeon clause for everything.

Pandit Shamlal Nehru: Have you read Rousseau?

Mr. M. A. Jinnah: I am asked, Sir, whether I have read Rousseau.

Mr. Bipin Chandra Pal (Calcutta: Non-Muhammadan Urban): In the days of your youth.

Mr. M. A. Jinnah: Sir, if there is any work of literature or art or science which is truly a work of art or literature or science, and if it is published or sold with a *bona fide* object, I ask Mr. Chaman Lall—and I appeal less to his imagination, less to his enthusiasm, and more to his common sense and reason—to say is there any Magistrate, unless he is absolutely devoid of honesty, who would condemn it? It is not a question of law. Mr. Chaman Lall waxes eloquent. I ask him, can he cite to me a single case where any Magistrate, whom he treated with such contempt as third class Magistrates and fourth class Magistrates . . .

Mr. Chaman Lall: “La Garçonne.”

Mr. M. A. Jinnah: In India?

Mr. Chaman Lall: Yes.

Mr. M. A. Jinnah: Any other case?

Mr. Chaman Lall: There are heaps of cases.

Mr. M. A. Jinnah: Will Mr. Chaman Lall mention any other case? (*Pandit Shamlal Nehru:* “You asked for only one case and he has mentioned one case.”) (*Mr. Chaman Lall:* “You don’t want me to make your speeches for you.”) The case of “La Garçonne” is a case where you find serious difference of opinion, and men who have read more of literature than Mr. Chaman Lall take a different view. Sir, really, to my mind, because of the one single case of “La Garçonne”, which appeals to

[Mr. M. A. Jinnah.]

Mr. Chaman Lall so much and which he has read both in English and in French, are we going to lay down a law for that purpose here? That is what the argument really comes to. Because of one single case we are asked to throw open the flood-gates in this amendment of Mr. Devaki Prasad Sinha. I think, Sir, that it will be positively dangerous to adopt this amendment, because I think it will really give an enormous opportunity to those whom this Bill is intended to curb and to check.

Mr. President: The original question was:

"That clause 2 stand part of the Bill."

Since which an amendment has been moved:

"That in clause 2 of the Bill, to the *Exception* to the proposed section 292 the following be added, namely:

'or to any work of art, science or literature'."

The question I have to put is that that amendment be made.

(A division was claimed, there being only a few Members who said "Aye".)

Mr. President: Will those Honourable Members who claim a division rise in their places?

(Mr. Amar Nath Dutt and Pandit Shamlal Nehru rose.)

Mr. President: The division is frivolously claimed.

The motion was negatived.

Khan Bahadur Sarfaraz Hussain Khan (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, the amendment which I move is:

"In clause 2 of the Bill in the proposed section 293 of the Indian Penal Code, for the word 'twenty' the word 'eighteen' be substituted."

My simple reason is this

Pandit Shamlal Nehru: I cannot hear the Honourable Member.

Khan Bahadur Sarfaraz Hussain Khan: My simple reason in moving the amendment is to have the age reduced from 20 to 18. In the Indian Penal Code there is no reference made to the age of persons. It reads thus:

"Whoever sells or distributes, imports or prints for sale or hire, or wilfully exhibits to public view, any obscene book, pamphlet, paper, drawing, painting, representation or figure, or attempts or offers so to do shall be punished"

Thus it will be seen that in the above section no mention is made of the age of the person to whom the obscene matter is sold. But in the amended section reference is made to the age which is fixed at 20 years. In the Majority Act, Sir, the age is 18, which presupposes that a man at 18 is capable of understanding, and as such has got the capacity to understand everything. Why then should a higher age be fixed in the amended section, which runs as follows:

"Whoever sells, lets to hire, distributes, exhibits or circulates to any person under the age of twenty years"

When the age in the Majority Act is 18, there seems to be no reason why the age should be 20 in the amended section? At least we should be given some idea as to the necessity for the change. So far as the

punishment is concerned in the Indian Penal Code you have 3 months. You have now increased the 3 months to 6 months. You increase the punishment as well as increase the age of the man, but I do not find any idea underlying the change. For these reasons I propose that the age should not be 20 but 18, because at 18, as under the Majority Act, a man is supposed to have full maturity of understanding. I move the amendment.

Mr. H. Tonkinson (Home Department: Nominated Official): Sir, my Honourable friend Khan Bahadur Sarfaraz Hussain Khan in his speech on this amendment has indicated, I think, that he does not quite appreciate what we are doing in the Bill before the House. He says that in the present section 293 there is no reference to age. Well, Sir, the existing section 293 is really combined with section 292 and becomes the proposed section 292. Section 293 provides for an enhanced punishment in certain cases. As regards those cases, Sir, I would merely remark that in providing, as we have done, we are following the recommendations of the International Conference for the suppression of the circulation of, and traffic in, obscene publications. In paragraph 4 of the Final Act of that Conference they state:

"The Conference expresses the wish that the Legislature of each country may prescribe an aggravation of the penalty if the offer, delivery, sale or distribution of obscene matters or things is made to young people. To define the exact age beneath which young people should be protected is a matter for the several Legislatures."

In proposed section 293 we do provide for an aggravation of the offence which is referred to in section 292. We have chosen the age of 20 years. That, Sir, was the age which was mentioned when the Resolution was moved in this Assembly on the 8th of March 1924. It was the age, Sir, which we referred to Local Governments. The opinions which we have received and which were circulated last September to Members of the Assembly from Local Governments showed a fair consensus of opinion in favour of fixing the age which we have included in the Bill. The Bill was passed by the Council of State with the age of 20. It went to a Select Committee of this House with the same age and the Select Committee has not attempted to change it. I think, Sir, that it is a suitable age, because in this respect we are trying not to consider questions of majority at all, but to consider questions of adolescence. When people are at the adolescent age they are more liable to be injured by the traffic which we are attempting to curb by this Bill.

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

Still, in this matter, although we think 20 is a suitable age, we are quite prepared to be guided by the opinion of the House on the subject. I oppose the amendment on this understanding.

Mr. Deputy President: Amendment moved:

"In clause 2 of the Bill in the proposed section 293 of the Indian Penal Code for the word 'twenty' the word 'eighteen' be substituted."

The question is that that amendment be made.

The motion was negatived.

Pandit Shamlal Nehru: Sir, I move:

"In clause 2 in the proposed section 293 for the word 'twenty' the word 'twenty-five' be substituted."

[Pandit Shamlal Nehru.]

My reason for moving this amendment is this. A very large number of boys and girls of respectable families are not now married at an early age. They are sent to schools and colleges. The girls and boys, both unmarried, are in colleges right up to the age of 24 and sometimes up to the age of 25. This Bill has provided punishment to the offender even if he shows or sells or lets an obscene picture to an old gentleman of 60 or even 70 of three months' imprisonment. The only thing I ask is that the punishment of six months be provided for the person who does it in the case of young people of 25 and under. Boys and girls, especially girls, Sir, in colleges, ought to have the protection of the Government and my demand is not excessive. It is a very reasonable demand for the safety of the girls, and I think the Government will vote with me in this. I think the Bill as it came before this Assembly was not a good one, but a weak one, and with all the exceptions added on the power of the Bill has been reduced to *nil*. It will be better to throw out the Bill with all these amendments than to accept it, unless something more is added to strengthen it.

Mr. H. Tonkinson: Sir, the remarks which I made upon the last amendment apply equally to this one. If the House desires to increase the age to 25 years, the Government would have no objection to it. I merely wish to state that, when we consulted Local Governments, there was, as I said before, a general consensus of opinion in favour of 20 years, but one or two opinions—I do not think they were more than this—did suggest a higher age than 20. But the greatest age suggested was 23 years, a suggestion made, I think, by a Deputy Commissioner in the Central Provinces. We think, Sir, that 20 years is a suitable age, but we leave the matter to the House.

Mr. Deputy President: The question is:

"That in clause 2 in the proposed section 293 for the word 'twenty' the word 'twenty-five' be substituted."

I think the Noes have it.

Pandit Shamlal Nehru: The Ayes have it.

Mr. Deputy President: Will those Honourable Members who say "Aye" to the motion stand up in their seats?

(Pandit Shamlal Nehru only stood up.)

The Noes have it.

Pandit Shamlal Nehru: On a point of order, Sir. The only power under the Reforms Act given to this House is to demand a division and the President, with all due respect to you, has no power to go against the words of that section. That section says that a division, when demanded, *shall* be given.

Mr. M. A. Jinnah: *May I point out the rule to the Honourable Member? He is certainly entitled to a division but the manner of it is left to the President under the rules. Sir, it is in your power when a division is required frivolously to say: "Those who are of opinion that

* Not corrected by the Honourable Member.

the amendment should be accepted should stand up in their places." That is exactly what you did, and there was only one Honourable Member who stood up in favour of the amendment.

Pandit Shamlal Nehru: One more point, Sir. The rule of the House has been that, when a demand for a division is made, the bell, in the first instance, rings so that the Members outside may come in. Secondly, it is certainly left to the President to take the division in any way he pleases, but the custom of this House has been that, when a division is taken, the names of those voting for or against are put on record. I have no objection to your taking the division in any way whatsoever; I only want the names to be put on record.

Mr. Deputy President: Very well. Division. (The bell rang) Order, order. The question is:

"That in clause 2 in the proposed section 293 for the word 'twenty' the word 'twenty-five' be substituted."

The motion was negatived.

Mr. Deputy President: The question is:

"That clause 2, as amended, be passed."

The motion was adopted.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I would ask you to exercise your discretion and put clause 4 first. If this clause is carried against me, then the amendment standing in my name will not be moved.

Mr. Deputy President: The question is:

"That clause 4 do stand part of the Bill."

The Honourable Sir Alexander Muddiman: Sir, I have already given my reasons for opposing the clause when I spoke on the motion for consideration a short time ago. They are very shortly these. In this very small Bill you are introducing a very drastic change in our criminal procedure. You are enabling a man who at the most can get six months' imprisonment to claim the right of a trial by jury and by the Court of Session. Now, the object of this Bill is to facilitate the punishment of persons who commit offences under section 292 or section 293. It is obvious, if the House passes a clause of this nature, that it regards this desirability with considerable doubt. The right to claim a jury and trial by the Court of Session must inevitably lead to delay and to extra expense to the Crown, and generally it is likely to operate to check rather than to help prosecution. I also want to make it clear that if the House takes the line that in connection with this Bill, the right to trial by the Court of Session can be claimed by an accused, then we shall be landing ourselves in a very difficult position. If you want to bring in a large and drastic change in our criminal procedure, do it deliberately and after consideration but not by a side-wind. It will inevitably upset the whole system of courts in this country. The system of courts, as I said in my previous speech, is that minor offences are tried by Magistrates of the lower rank and more serious offences are tried by Magistrates of higher rank, and the most serious cases are reserved for trial by the Court of Session. I, therefore, ask this House to reject this clause.

Mr. Deputy President: The question is:

“That clause 4 do stand part of the Bill.”

The Assembly divided:

AYES—20.

Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Aiyangar, Mr. K. Rama.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Joshi, Mr. N. M.
Kasturbhai Lalbhai, Mr.

Lohokare, Dr. K. G.
Misra, Pandit Harkaran Nath.
Neogy, Mr. K. C.
Ramachandra Rao, Diwan Bahadur M.
Reddi, Mr. K. Venkataramana.
Sarfaraz Hussain Khan, Khan Bahadur.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Gangannand.
Venkatapatiraju, Mr. B.

NOES—45.

Abdul Mumin, Khan Bahadur Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Ahmad Ali Khan, Mr.
Ahmed, Mr. K.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. N.
Ashworth, Mr. E. H.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clarke, Sir Geoffrey.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Dalal, Sardar B. A.
Ghose, Mr. S. C.
Graham, Mr. L.
Hira Singh, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Hussanally, Khan Bahadur W. M.
Innes, The Honourable Sir Charles.
Jinnah, Mr. M. A.
Makan, Mr. M. E.

Malaviya, Pandit Madan Mohan.
Marr, Mr. A.
McCallum, Mr. J. L.
Mittra, The Honourable Sir Bhupendra Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir Alexander.
Muhammad Ismail, Khan Bahadur Saiyid.
Naidu, Mr. M. C.
Nehru, Pandit Shamlal.
Pal, Mr. Bipin Chandra.
Raj Narain, Rai Bahadur.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V. Visvanatha.
Singh, Mr. Gaya Prasad.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.
Yakub, Maulvi Muhammad.

The motion was negatived.

Mr. Deputy President: The question is:

“That clause 3 do stand part of the Bill.”

The Honourable Sir Alexander Muddiman: Sir, I beg to move:

“That for sub-clause (2) (i) of clause 3 the following sub-clause be substituted, namely:

‘(i) for the entries in column 8 against sections 292 and 293 the words ‘Presidency Magistrate or Magistrate of the First Class’ shall be substituted.’”

That follows on the deletion of clause 4. I propose to meet the fact that the punishment under these clauses which have been added to the Penal Code has, in the case of juvenile offenders, been raised from three to six months, to provide that they shall be triable not by Magistrates of the second class but by a Presidency Magistrate or a Magistrate of the first class. That is the effect of my amendment, and that I take it is the view of the House, in view of the amendment which has just taken place. Sir, I move.

Mr. Deputy President: The original question was:

"That clause 3 do stand part of the Bill."

Since which an amendment has been moved:

"That for sub-clause (2) (i) of clause 3 the following sub-clause be substituted, namely:

'(i) for the entries in column 8 against sections 292 and 293 the words 'Presidency Magistrate or Magistrate of the First Class' shall be substituted'."

The question is that that amendment be made.

The motion was adopted.

Mr. Deputy President: The question is:

"That clause 3, as amended, do stand part of the Bill."

The motion was adopted.

Mr. Deputy President: The motion is that this be the Schedule to the Bill.

The motion was adopted.

Mr. Deputy President: The motion is that this be the Preamble to the Bill.

The motion was adopted.

Mr. Deputy President: The motion is that clause 1 do stand part of the Bill.

The motion was adopted.

The Honourable Sir Alexander Muddiman: Sir, I move that the Bill be passed. I do not propose to detain the House at this stage by any observations, though I feel that I shall have to re-examine one amendment that has been made in the Bill with great care. However, I move that the Bill be passed.

Pandit Shamlal Nehru: Sir, as the Bill now stands, I think it is quite a useless Bill and therefore I will advise the House to throw out the Bill to enable the Government to bring up a fresh one, properly drafted this time.

Mr. Deputy President: The question is:

"That the Bill to give effect to certain articles of the international convention for the suppression of the circulation of, and traffic in, obscene publications, as reported by the Select Committee, and as amended, be passed."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 23rd February, 1925.

LEGISLATIVE ASSEMBLY.

Monday, 23rd February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President in the Chair.

QUESTIONS AND ANSWERS.

ACREAGE UNDER SUGAR-CANE CULTIVATION.

969. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to place on the table a statement showing the acreage cultivated with sugar-cane in India for the official years 1920-21, 1922-23, 1924?

Mr. J. W. Bhore: The areas reported to be under sugar-cane cultivation in India during the years 1920-21, 1922-23, and 1923-24 were 2,576,000; 2,740,000; and 2,916,000 acres, respectively.

ESTABLISHMENT OF A SUGAR SCHOOL.

970. ***Diwan Bahadur M. Ramachandra Rao:** Will the Government be pleased to state what action has been taken for the establishment of a School in India for providing a thorough training in India in sugar agriculture, chemistry and engineering as recommended in Chapter 25 of the Sugar Committee Report?

Mr. J. W. Bhore: The recommendation contained in Chapter XXV of the report of the Indian Sugar Committee for the establishment of a Sugar School in India to provide training in sugar agriculture, chemistry and engineering was considered in 1922 and it was recognised that, as remarked by the Committee in paragraph 405 of their report, a further preliminary inquiry into the working of such schools in other countries was necessary prior to the establishment of a school in India. Owing however to financial stringency and subsequent retrenchment of expenditure in all Departments, Government have been unable to proceed with the proposal.

Sir Campbell Rhodes: Will Government bear in mind when reconsidering this question the remark made by a leading sugar merchant, which was quoted in paragraph 90 of the Fiscal Commission's Report, that it would be a greater advantage to the sugar industry to have a small cess on imported sugar devoted to carrying out the recommendations of the Sugar Committee than to have the assistance of a high protective duty?

Mr. J. W. Bhore: Yes, certainly.

Diwan Bahadur M. Ramachandra Rao: May I ask whether Government now propose to take action in the direction indicated?

Mr. J. W. Bhore: The Honourable Member will recollect that the recommendation in regard to the establishment of sugar schools formed part of a much wider recommendation—these sugar schools were to be part of a Central Sugar Research Institute. I can give the Honourable Member the assurance that we are at the present moment actively considering the steps to be taken in furtherance of these proposals in regard to investigation and research.

CULTIVATION OF WASTE LANDS.

971. ***Diwan Bahadur M. Ramachandra Rao:** (a) Has the attention of the Government been drawn to the papers submitted by Mr. D. Clouston and Mr. Anstead (Appendix VII of the Proceedings of the Board of Agriculture, 1924) regarding the desirability of bringing waste lands under cultivation with a view to increasing the food grains in India?

(b) Will the Government be pleased to state whether they propose to take any action in the directions suggested in these papers?

(c) Will the Government be pleased to state whether any inquiry has been held in recent years as regards the sufficiency or otherwise of the food grains grown in India for the needs of the population in India?

Mr. J. W. Bhore: (a) Yes.

(b) Agriculture being a provincial transferred subject the question is primarily the concern of Local Governments. The papers by Messrs. Clouston and Anstead, as well as the report of the discussion on the subject at the last meeting of the Board of Agriculture in India, were forwarded to Local Governments in April 1924 for consideration. There is no reason to suppose that Local Governments are not fully alive to the importance of the question.

(c) No.

[SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS IN THE UNITED PROVINCES.

972. ***Mr. Ismail Khan:** (a) Will the Government be pleased to state whether they have received any communication from the United Provinces regarding the separation of judicial from executive functions?

(b) If the answer is in the affirmative, will the Government be pleased to state what orders have the Government of India passed on it?

(c) When do the Government propose to sanction this scheme which was prepared long ago by a committee appointed by the United Provinces Government?

Mr. H. Tonkinson: (a) Yes.

(b) and (c). The Honourable Member is referred to the answers given to Khan Bahadur Sarfaraz Hussain Khan's question No. 144 on the 23rd January, 1925 and Maulvi Muhammad Yakub's question No. 383 on the 28th January, 1925.

REDUCTION OF DIVISIONAL COMMISSIONERS IN THE UNITED PROVINCES.

973. ***Mr. Ismail Khan:** (a) Have the Government of India received any report from the United Provinces Government about the reduction in number of Commissioners in the United Provinces?

(b) Is it not a fact that this report was unanimously arrived at by officials and non-official members of a committee appointed by the United Provinces Government?

(c) When did the United Provinces Government submit this report to the Government of India and when do the Government of India propose to take a final decision in the matter?

(d) Has the sanction of the United Provinces Government been asked for, and if so, when?

Mr. H. Tonkinson: (a) and (b). Yes.

(c) The report was received in October 1923 and is now under the consideration of the Government of India.

(d) The United Provinces Government have not been addressed since the report was received.

CLERICAL ESTABLISHMENT OF THE GOVERNMENT OF INDIA.

974. ***Haji S. A. K. Jeelani:** Will the Government be pleased to state:

1. How many clerks of the upper division in the various departments have experience of the Provincial Secretariats?
2. Whether they would consider the desirability of recruiting clerks for the upper division from the Provincial Secretariats and from the provinces?
3. How many of the superintendents and divisional clerks of the various departments who are in the superior grade possesses University degree?
4. The number of upper clerks from the Madras Presidency in the following Departments:
 - (a) Foreign and Political;
 - (b) Education, Health and Lands;
 - (c) Commerce;
 - (d) Industry and Labour;
 - (e) Military Finance;
 - (f) Army;
 - (g) Railway Board;
 - (h) Legislative.

Mr. H. Tonkinson: A statement giving the information asked for in parts 1, 3 and 4 of the question is being sent to the Honourable Member.

2. The general question of recruitment to the Upper Division is under consideration. I will have the point raised by the Honourable Member considered.

SUPERINTENDENTS AND ASSISTANTS IN THE VARIOUS DEPARTMENTS OF THE GOVERNMENT OF INDIA.

975. ***Haji S. A. K. Jeelani:** Will the Government be pleased to lay on the table a tabular statement exhibiting the number of superintendents and upper divisional clerks in the various departments classed as under:

- (a) Europeans, Anglo-Indians, Christians,
- (b) Bengali Hindus,
- (c) Punjabi Hindus,
- (d) Muhammadans,
- (e) and the other Hindus?

Mr. H. Tonkinson: A statement giving the information is being sent to the Honourable Member.

Mr. W. S. J. Willson: Will the Honourable gentleman include in the statement which is being sent to the Honourable Member a return of the Europeans, Anglo-Indians and Christians separately?

Mr. H. Tonkinson: The statement that is being sent to the Honourable Member has already been prepared, and if the Honourable Member desires this further information, we will collect it in due course.

NUMBER OF PERSONS DETAINED UNDER BENGAL REGULATION III OF 1818.

976. ***Sardar Gulab Singh:** Will the Government be pleased to state the number of persons who are detained under Bengal Regulation III of 1818 and how many are still in jails under the said Regulation?

Mr. H. Tonkinson: Twenty-nine persons are detained under the Regulation, of whom twenty-eight are in jails.

REDUCTION OF POSTAL RATES FOR BOOK PACKETS.

977. ***Sir Purshotamdas Thakurdas:** With reference to the following statement made by the Honourable Mr. McWatters, Secretary, Finance Department, in the Council of State last year, will Government be pleased to state the result of the examination referred to by the Honourable Mr. McWatters:

"We are examining this question because it appears there may be some case for reducing the present rate for book packets".—Council of State Debates, Vol. IV, No. 25, page 651.

The Honourable Sir Bhupendra Nath Mitra: Examination showed that a reversion to the old rates for book packets in force before April 1921, namely, $\frac{1}{2}$ anna for every 10 tolas, would involve a loss to this Department of about 10 lakhs of rupees a year. Government decided that they would not be justified in incurring this loss, especially as statistics showed that the increase in the rates which took place in 1921 had not adversely affected the traffic.

Sir Purshotamdas Thakurdas: The Honourable Member says that statistics showed that the increased rates did not adversely affect the traffic. Will he kindly tell us what those statistics are?

The Honourable Sir Bhupendra Nath Mitra: I have not got them with me here, Sir; but I shall send them to the Honourable Member, unless he desires me to lay them on the table of this House.

Sir Purshotamdas Thakurdas: I think it would interest some Members of this House also. I am obliged for his offering to send them to me, but, if he can place them on the table, it would probably interest other Members also.

The Honourable Sir Bhupendra Nath Mitra: I shall do so, Sir.

PROVISION OF A SIDING FOR LOADING AND UNLOADING MOTOR VEHICLES AT PAKPATTAN RAILWAY STATION.

978. ***Baba Ujagar Singh Bedi:** (a) Is it a fact that there is no platform siding for loading and unloading motor vehicles at the Pakpattan railway station in the Montgomery District?

(b) Is it a fact that a large number of bungalows are under construction at Pakpattan in connection with the Canal Project that is being carried on now, and that it is a place where motor cars are mostly used for conveyances, both by the officials and non-officials?

(c) Under the circumstances, do Government contemplate to remove this public inconvenience by providing a siding over there?

Mr. G. G. Sim: (a), (b) and (c). Government have no information but will send a copy of the Honourable Member's question to the Agent for consideration.

WATER TAPS AT PAKPATTAN RAILWAY STATION.

979. ***Baba Ujagar Singh Bedi:** (a) Is it a fact that railway water taps at Pakpattan railway station are only left open for the use of the passengers half an hour before the arrival, and after the departure, of the trains?

(b) Is it a fact, that there is no other provision with regard to water in the suburbs of the railway station referred to above, except the railway water pipes?

(c) Are Government aware that passengers desiring to catch the train often come earlier to avoid the heat or other troubles of the day and are put to great inconvenience on account of the absence of water in the railway premises?

(d) Under the circumstances are Government prepared to pass necessary instructions, in this direction, that the water taps should be left open two hours before the arrival and two hours after the departure of the trains?

Mr. G. G. Sim: Government have no information, but will send a copy of the Honourable Member's question to the Agent for consideration.

PROVISION OF A CLOCK OVER THE PRESIDENT'S CHAIR IN THE LEGISLATIVE ASSEMBLY CHAMBER.

980. ***Mr. Darcy Lindsay:** (a) Is it a fact that Government propose to place a clock over the Honourable the President's chair in the Legislative Assembly Chamber for the convenience of Members and which will assist them in seeing that they do not exceed the time limit?

(b) If the answer is in the affirmative, will Government state if the clock will be so fixed during the present session?

Mr. L. Graham: Government are of opinion that if a second clock is to be placed in the Chamber it cannot be a clock working independently of the clock already in the Chamber. The question of installing a pair of electrically driven clocks is under consideration, but there is no likelihood of the clocks being installed during the present session.

GOVERNMENT OFFICIALS ON THE BOARD OF MANAGEMENT OF THE ARMY
CANTEEN BOARD (INDIA).

981. ***Raja Ghazanfar Ali Khan:** Is the Army Canteen Board (India) a private company? If so, will Government be pleased to state the reason why it has permitted high Government officials to be chairman and members of the Army Canteen Board and also of its board of management?

Mr. E. Burdon: The Army Canteen Board (India), as has been repeatedly stated in answer to previous questions, is a public company incorporated under the Indian Companies Act, 1913.

Government officials have been appointed to the Board, firstly, because the Board functions exclusively in the interests of a class of Government servants, namely, soldiers; secondly, because their services on the Board are necessary to its successful working and to safeguard the financial interests of Government in the undertaking; and thirdly, because there is no known objection to their appointment to the Board.

Mr. Gaya Prasad Singh: May I take it that this is a Government institution?

Mr. E. Burdon: No, Sir.

REMUNERATION OF GOVERNMENT OFFICIALS ON THE BOARD OF
MANAGEMENT OF THE ARMY CANTEEN BOARD (INDIA).

982. ***Raja Ghazanfar Ali Khan:** Will Government be pleased to state whether the Government officials who are chairman and members of the Army Canteen Board (India) receive any allowance or remuneration from the funds of the Army Canteen Board (India) in return for their services?

Mr. E. Burdon: The answer is in the negative.

GOVERNMENT OFFICIALS ON THE BOARD OF MANAGEMENT OF PRIVATE
COMPANIES.

983. ***Raja Ghazanfar Ali Khan:** Will Government be pleased to state whether there is any private company in India besides the Army Canteen Board (India) which has high Government officials as chairman or members?

Mr. H. Tonkinson: Government have no information on the subject.

NET DEBT DUE ON THE 31ST JANUARY, 1925, BY THE ARMY CANTEEN
BOARD (INDIA) TO THE IMPERIAL BANK OF INDIA.

984. ***Raja Ghazanfar Ali Khan:** Will Government be pleased to state the net debt due on 31st January, 1925, from the Army Canteen Board (India) to the Imperial Bank of India in respect of the advances made by the latter on the guarantee of the Government of India and also the value of the net assets of the Army Canteen Board (India) after deduction of all other liabilities?

Mr. E. Burdon: The Army Canteen Board (India) keep their accounts according to the financial year ending with July and the Government of India cannot ask the Board to reconstruct their accounts or produce statistics on another basis. The Honourable Member is already in possession of the audited balance sheet for last year.

DEBTS DUE BY THE ARMY CANTEN BOARD (INDIA) TO CREDITORS
OTHER THAN THE IMPERIAL BANK OF INDIA.

985. ***Raja Ghazanfar Ali Khan:** Will Government be pleased to state the amount of liabilities of the Army Canteen Board (India) to creditors other than the Imperial Bank of India?

Mr. E. Burdon: No, Sir. The Government of India are prepared to give and have given the general public a great deal of information regarding the Army Canteen Board (India), but they consider that the Board must be allowed to preserve the same secrecy as a private business firm would in regard to the details of its trading transactions. As regards the financial position of the Board, the audited annual balance sheet, to which all Honourable Members can have access, is the most reliable guide.

Khan Bahadur W. M. Hussanally: Is it a fact, Sir, that many of the dealers who supply goods to the Army Canteen Board are not being paid and they are clamouring for payment of very large sums of money from the Army Canteen Board?

Mr. E. Burdon: I should like to have notice of that question.

TOTAL AMOUNT OF PAY DRAWN BY EUROPEAN AND INDIAN ESTABLISHMENTS
OF THE ARMY CANTEN BOARD (INDIA) AT HEADQUARTERS AND AT
DISTRICT AND BRANCH OFFICES, RESPECTIVELY.

986. ***Raja Ghazanfar Ali Khan:** Will the Government be pleased to state:

- (a) The total amount of pay and allowances drawn by the European and non-Indian establishment of the Army Canteen Board (India) at headquarters?
- (b) The total amount of pay and allowances drawn by the Indian establishment of the Army Canteen Board (India) at headquarters?
- (c) The total amount of pay and allowances drawn by the European and non-Indian establishment of the Army Canteen Board (India) at district and branch offices?
- (d) The total amount of pay and allowances drawn by Indian establishment of the Army Canteen Board (India) at district and branch offices?

Mr. E. Burdon: (a) Rs. 10,710.

(b) Rs. 4,544.

(c) Rs. 25,833-3-0.

(d) Rs. 50,955-12-0.

OFFICIATING APPOINTMENT OF DIRECTOR OF PUBLIC INSTRUCTION,
NORTH-WEST FRONTIER PROVINCE.

987. ***Mr. S. Sadiq Hasan:** (a) Will the Government be pleased to state if Mr. Towle, the Director of Public Instruction, North-West Frontier Province, is shortly proceeding on eight months' leave?

(b) If so, do they propose to consider the claims of the next senior I. E. S. man in the province for the officiating vacancy?

(c) If not, will they be pleased to state the reasons for passing over the claims of an Indian member of the service?

Mr. J. W. Bhore: (a) Yes.

(b) and (c). The Government of India have no reason to believe that the local Administration with whom the appointment rests will not take all legitimate claims into consideration.

LEVY OF AN ADDITIONAL CHARGE OF 3 PER CENT. ON PRESS MESSAGES SENT WITHOUT PREPAYMENT.

Mr. A. Rangaswami Iyengar: With your permission, Sir, I wish to put the following question:

(a) Will the Government be pleased to state whether it is a fact that an additional charge of 3 per cent. has been directed to be levied on all press messages sent without prepayment with effect from the 1st April 1925? If so under what provisions of law or regulation the said charge is to be levied?

(b) Will the Government be pleased to state whether any similar extra charge has been imposed on press messages in any other country?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes. The charge has been directed to be levied in exercise of the powers conferred by section 7 of the Indian Telegraph Act (1885), in order to cover the cost incurred in the upkeep of accounts for press messages accepted without prepayment.

(b) Yes, in the British Post Office.

Mr. A. Rangaswami Iyengar: May I know, Sir, whether, before fixing this extra impost upon the poor press of this country, Government consulted what is known as the Publicity Committee that has been set up in this House?

The Honourable Sir Bhupendra Nath Mitra: No, Sir.

Mr. A. Rangaswami Iyengar: May I know, Sir, why this was not done?

The Honourable Sir Bhupendra Nath Mitra: I have already informed the Honourable Member of the powers under which this particular levy was imposed and the reasons for imposing it.

Khan Bahadur W. M. Hussanally: Is it a fact, Sir, that the Telegraph Department was working at a loss before the imposition of this levy?

The Honourable Sir Bhupendra Nath Mitra: I would ask the Honourable Member to wait till the presentation of the Budget. I cannot disclose any budget secrets at this stage.

Mr. A. Rangaswami Iyengar: May I know, Sir, whether in regard to this matter the Government consulted any of the press associations in this country, which are vitally interested in this matter?

The Honourable Sir Bhupendra Nath Mitra: No, Sir.

Diwan Bahadur M. Ramachandra Rao: May I know, Sir, what has been the revenue derived by this additional impost of 3 per cent.?

The Honourable Sir Bhupendra Nath Mitra: As I said, Sir, I am not in a position to disclose any budget secrets at present.

Mr. A. Rangaswami Iyengar: May I know, Sir, if it is not the case that the press of this country is already penalised in regard to bearing press messages, by having to place some amount in deposit in advance for repayment, and the present impost is an additional levy, about which the press has not been informed of the exact reasons?

The Honourable Sir Bhupendra Nath Mitra: I shall require notice of that question. I would, however, ask the Honourable Member, before he asks any more questions, to wait till the presentation of the Budget.

UNSTARRED QUESTIONS AND ANSWERS.

POST OFFICE CASH CERTIFICATES.

138. **Mr. H. G. Cocke:** Will Government be pleased to lay a statement on the table showing the monthly sales of Post Office Cash Certificates, and the monthly repayments of the same, from the time their issue was started down to 31st December 1924, separating the figures, as far as possible, as between different provinces? Will they also be pleased to show the total liability outstanding on 31st December each year, both as to capital and approximate interest?

The Honourable Sir Basil Blackett: It is rather difficult to give all the information required by the Honourable Member in the form of a handy statement but the Government realise that it is worth printing and publishing and will arrange to do so in a convenient form at an early date. Meanwhile, the following figures will be of interest:-

(In lakhs of Rs.)

Year.	Receipts.	Repayments of Principal.	Balance of Principal outstanding at close of year.	Bonus paid.
	Rs.	Rs.	Rs.	Ra.
1917-18	10.00	1.12	8.88	...
1918-19	3.16	3.85	8.19	13
1919-20	87	3.31	5.75	22
1920-21	52	1.49	4.78	17
1921-22	48	.92	4.34	14
1922-23	70	1.91	3.13	48
1923-24	6.91	1.62	8.42	28

It is not easy to calculate the liability outstanding at the end of each year, if it is taken to mean the amount that the Government will have to provide if all Cash Certificates then with the public are cashed at once; while it is fairly easy to calculate the maximum liability at any convenient date, on the assumption that all the Cash Certificates then in the hands of the public would be retained till maturity. On that basis, the liability at the end of December, 1924, can be taken as about 390 lakhs, the capital outstanding being roughly 12 crores. If all these were held till maturity, we should have to meet between the 31st December, 1924,

and the 31st December, 1929, on account of these certificates a total interest liability of 3·9 crores. Experience shows however that the actual payment on account of interest is very much less than the maximum liability, as there is always a large number of holders who encash them at different periods before maturity.

GRIEVANCES OF POSTAL EMPLOYEES.

139. **Sardar Gulab Singh:** (a) Has the attention of Government been drawn to the letter published in the *Tribune* of the 6th February, 1925, headed "Postmen's Association"?

(b) If so, will the Government be pleased to state what action, if any, has been taken with reference to the several grievances mentioned therein?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) The Honourable Member is referred to the debate upon Mr. Bipin Chandra Pal's Resolution on the 12th February 1925. The grievances of postal employees generally will be shortly examined in accordance with the undertaking given to the House.

REDUCTION OF THE NUMBER OF TRAINS ON THE TORIGHAT BRANCH OF THE EAST INDIAN RAILWAY, ETC.

140. **Sardar Gulab Singh:** (a) Has the attention of the Government been drawn to the letter published in the *Leader* of the 5th February, 1925, headed "Ghazipur Railway passenger grievances"?

(b) If so, will the Government be pleased to state the reasons for reducing the number of trains on the Torighat Branch of the E. I. Railway?

(c) Are the Government aware that the men of Ghazipur City are being too much inconvenienced owing to their being compelled to wait 6 or 7 hours to catch the corresponding trains?

(d) Will the Government be pleased to state what steps, if any, they are going to take for redressing the grievances of the public of Ghazipur as complained of in the aforesaid letter?

Mr. G. G. Sim: (a), (b), (c) and (d). Government have seen the letter referred to and will send a copy of the Honourable Member's question to the Agent for consideration.

ARMY CONTRACTORS AND THE ARMY CANTEEN BOARD.

141. **Khan Bahadur W. M. Hussanally:** (a) Did army contractors submit a representation to His Excellency the Commander-in-Chief in April, 1921, against the institution of Army Canteen Board?

(b) Did a deputation of the army contractors wait upon the Quartermaster General in September of the same year?

(c) Is it a fact that these contractors were led to believe either by H. E. the Commander-in-Chief or the Quartermaster General that the Army Canteen Board would only be confined to N.-W. F. Provinces and the Fawalpindi Division and would only deprive army contractors of business to the extent of 25 per cent.?

(d) Is it a fact that the operations of the Army Canteen Board have since then been extended to Commands other than those mentioned above?

(e) If so, why? -

(f) Is the Army Canteen Board an official or an unofficial body? Who are its members?

(g) Is it a fact that the Government of India advanced funds for the preliminary expenses of the Army Canteen Board? If so, how much, and under whose sanction and from what funds?

(h) Is it a fact that the Army Canteen Board have been given concessions not allowed to army contractors? If so, what are they?

Mr. E. Burdon: (a) There is no record of any representation of the nature referred to by the Honourable Member having been made to His Excellency the Commander-in-Chief in April 1921.

(b) Yes.

(c) With regard to the first part of this question, I would invite the attention of the Honourable Member to the reply given on the 9th February 1925 to unstarred question No. 126. The answer to the second part is that the Quartermaster General in India, in a letter, dated the 11th October 1921, addressed to the Secretary, All-India Army Contractors' Association, stated that the present proposal was only to take over approximately 25 per cent. of the regimental contracts in India.

(d) The operations of the Army Canteen Board (India) are limited to the Northern Command and to certain stations in the Western Command.

(e) The attention of the Honourable Member is invited to the reply given to part (b) of Mr. Willson's question No. 886, answered on the 16th February 1925.

(f) The attention of the Honourable Member is invited to the reply given on the 22nd January last to unstarred question No. 32, and to the reply which was given to-day to Raja Ghazanfar Ali Khan's question No. 981.

(g) An advance of Rs. 1,00,000, bearing interest at the rate of 6 per cent. per annum, was sanctioned by the Government of India for the purpose of meeting expenditure connected with the preliminary work of establishing the Army Canteen Board (India). This amount was met from Central Revenues from the amount provided under the head "Advances Repayable".

(h) No.

THE ARMY CANTEEN BOARD (INDIA).

142. Khan Bahadur W. M. Hussanally: (a) Is it a fact that Officers Commanding Units and soldiers have expressed their dissatisfaction at the service of the Army Canteen Board?

(b) Have the Government of India received any such reports from Commanding Officers? If so, will they place the same on the table? If not, will they call for them and place the same on the table?

(c) Is it a fact that heavy defalcations have taken place in the funds of the Army Canteen Board? If so, how much? Has the amount been recovered? If not, what steps have been taken?

(d) Is it a fact that the Imperial Bank has advanced money to the Army Canteen Board on the guarantee of the Government of India? If so, what is the amount; and under what authority or law have the Government of India given the guarantee?

(e) Has the Army Canteen Board made any profits since its working or has it met with losses? Please furnish figures. If they met with losses, who is to bear the same, and who is to repay the advances made by the Imperial Bank and from what funds?

Mr. E. Burdon: (a) and (b). The attention of the Honourable Member is invited to the reply given on the 9th February, 1925, to unstarred question No. 124. Government do not propose to take the action suggested by the Honourable Member in the latter part of his question (b).

(c) The attention of the Honourable Member is invited to the reply given on the 22nd January, 1925, to unstarred question No. 31.

(d) Yes, Rs. 20 lakhs. With regard to the concluding portion of this question I invite the attention of the Honourable Member to the reply given to him on the 23rd July, 1923, to part (c) of his starred question No. 308.

(e) With regard to the first part of this question, the attention of the Honourable Member is invited to part (b) of the reply given on the 22nd January, 1925, to unstarred question No. 30. As regards the second part, the losses up to date have been charged against the advance made to the Board and it is proposed that these losses shall be a first charge in future profits. As the business of the Board develops, it is hoped that arrangements can be made to pay off the advance gradually from profits of the business.

MUSLIM AUDITORS ON THE NORTH WESTERN RAILWAY.

143. **Mr. S. Sadiq Hasan:** (a) Will Government be pleased to state what is the number of Muslim Assistant Auditors in the North Western Railway and what percentage does this number represent to the total number of such officials in the said Railway?

(b) If the number is very small, are the Government prepared to give effect in above case to the Government Circular of 1922 for adequate representation of those communities which are in a minority?

The Honourable Sir Basil Blackett: Inquiry is being made and a reply will be given to the Honourable Member in due course.

TIME SCALE PAY OF THE POSTAL CLERICAL ESTABLISHMENT.

144. **Mr. S. Sadiq Hasan:** (1) Will the Government be pleased to state whether it is a fact:

- (a) That the officials of the clerical cadre of the Postal Department of India were given as concession the benefit of counting for increment the period of their officiating and temporary service (*vide* letter No. 428-P. W., dated 28th February, 1922, from the Secretary to the Government of India, Public Works Department, to the Director General, Posts and Telegraphs)?
- (b) That after the lapse of one year this concession was subsequently withdrawn by the Director General, Posts and Telegraphs, in his letter No. A. X. I., dated 21st March, 1923, on the interpretation of the Deputy Accountant General, Posts and Telegraphs, and that the officials confirmed after the date of issue of the Department of Commerce Resolution No. 6458, dated the 23rd September, 1920, were deprived of the benefit and their pay was reduced?

(c) That the officials confirmed on and after 1st January, 1922, were also given the benefit under Rule 22(b) of the Fundamental Rules?

(d) That the class of officials confirmed between 23rd September 1920 and 1st January, 1922, who are senior to those confirmed after 1st January, 1922 are drawing less pay?

(2) If the reply to the above be in the affirmative, do the Government propose to rectify the matter in respect of the officials confirmed between 23rd September, 1920, and 1st January, 1922?

The Honourable Sir Bhupendra Nath Mitra: Before replying to the individual questions, I think it necessary to give a preliminary explanation to make the position clear. When time-scale pay applying to various services was first introduced, it was laid down that the initial pay in the new scale was to be fixed with reference to the length of *permanent* service in the class. Subsequently, the rule was modified to include temporary and officiating service also, *before the date of introduction of the new scale of pay*. In the nature of things this concession could benefit only men who were permanent in the class on that date. The salary of officiating men was, at that time, governed by the Civil Service Regulations, as also the starting pay on confirmation in the officiating class. The Fundamental Rules which, later, took the place of the Civil Service Regulations, liberalised the rules as regards the above two points and officers confirmed after the introduction of the Fundamental Rules naturally got some benefit which those confirmed when the Civil Service Regulations applied did not get. But this difference has nothing to do with time-scale pay as such.

I will now proceed to reply to the questions seriatim.

(1) (a) Yes.

(b) The above explanation will make it clear there is no question of withdrawing any concession. There were cases of mistakes made in applying rules, which had to be rectified.

(c) Yes, but they did not get any benefit in respect of officiating or temporary service before the introduction of time-scale pay.

(d) This is possible, but Government have no definite information on the point.

(2) If actual instances are brought to the notice of Government through the usual channel, the question of removing inequalities due to the cause mentioned will be considered.

STATEMENTS LAID ON THE TABLE.

PURCHASE OF STORES BY THE HIGH COMMISSIONER FOR INDIA.

The Honourable Sir Bhupendra Nath Mitra (Industries Member): Sir, I lay on the table a Statement furnished by the High Commissioner for India showing all cases in which the lowest tenders have not been accepted by him in purchasing stores for the Government of India during the half year ending 31st December, 1924.

HIGH COMMISSIONER FOR INDIA, -
INDIA STORE DEPARTMENT.

ABSTRACT OF CASES in which Tenders, other than the lowest offering suitable goods, were accepted on the grounds of superior quality, superior trustworthiness of the firm tendering, greater facility of inspection, quicker delivery, etc.

HALF-YEAR ENDING 31st DECEMBER 1924.

PART A.—Cases in which lower foreign tenders, including British tenders for foreign made goods, have been set aside wholly or partially in favour of British tenders.

Stores ordered.	Contract Number.	Name of Contractor.	Amount of contract. £ s. d.	Lowest Tender not accepted. £ s. d.	Reason for acceptance.
Glider bridges . . .	D. 2463/3505, 10th July 1924.	Francis Morton & Co., Ltd.	6,280 0 0	6,098 5 2 (German.)	The lowest tender offered longer delivery and Continental sections, which would have necessitated a revision of the design.
					The preliminary inspection of the works and the visits of inspectors during re-designing and manufacture would have absorbed most, if not all, of the difference in price.
					The H. C. decided on the second tender on the grounds of superior reliability, delivery approximating to the requirements of the Indenting Officer and economy in inspection.
Microscope . . .	D. 2601/2536, 17th July 1924.	Down Bros., Ltd.	35 13 0	30 6 9 (German.)	Selected by the Indenting Officer to whom tenders were referred.
Microscope . . .	D. 2607/3055, 10th July 1924.	J. Swift & Son, Ltd.	147 8 6	92 0 0 (German.)	Selected by the Indenting Officer to whom tenders were referred.

HALF-YEAR ENDING 31ST DECEMBER 1924—contd.

Part A.—Cases in which lower foreign tenders, including British tenders for foreign made goods, have been set aside wholly or partially in favour of British tenders—contd.

Stores ordered.	Contract Number.	Name of Contractor.	Amount of contract.	Lowest Tender not accepted.	Reason for acceptance.
Axleboxes	D. 3533/5389, 22nd September 1924.	The Patent Axlebox & Foundry Co., Ltd.	£ s. d. 2,568 15 0	£ s. d. 2,053 15 0 (German.)	1,500 out of a total of 2,650 axleboxes were required urgently. The lowest tender came from an unknown German firm. The Consulting Engineers took steps for inspection of and a report on the works; but, in view of the improbability of early delivery (new patterns having to be made) and the undesirability of entrusting the whole of a large order to a new firm, the 1,500 axleboxes were ordered from the next lowest tenderer—The Patent Axlebox and Foundry Company, Limited.
Wagons, Goods	D. 4733/6786, 21th December 1924.	Metropolitan Carriage Wagon and Finance Co., Ltd.	11,805 12 6 (Pt. order.)	11,310 0 0 (Czechoslovakian.)	Subsequently the Consulting Engineers reported favourably on the German firm and the non-urgent part of the order was placed with them as a trial order. The cost of the two orders totalled £4,220-0-0 as against the lowest tender at £3,707-10-0. Accepted on account of the earlier delivery offered. The lowest tenderers required 24 weeks for delivery, and, having regard to experience in connection with previous orders placed with them, it was considered probable that the contract could not be completed by them under, say, 8 to 9 months. The cost of inspection abroad would be greater than in England and would have been further increased by such an extended delivery, and the earning power of the wagons obtainable through the Metro Company (who offered to deliver in 17 weeks) would more than counterbalance the extra cost.

PART B.—Cases in which the discrimination is between British firms only.

Stores ordered.	Contract Number.	Name of Contractor.	Amount of contract.	Lowest Tender not accepted.	Reason for acceptance.
Linen shaft Motors, etc.	D. 3335/1750, 1st July 1924.	English Electric Co., Ltd.	£ s. d. 629 4 0	£ s. d. 556 18 0	Not lowest, but selected by Mr. Ringang, Tibetan Trade Agent, as best value. The motors are for the Tibetan Government.
Tyres, solid band	D. 2890/4396, 26th July 1924.	C. Macintosh and Co., Ltd.	259 12 0	241 14 0	Accepted on account of superior quality of goods offered. Decision was based on the mileages reported and the preference expressed by Indenting Officer.
Windlass	D. 3050/5129, dated 23rd August 1924.	Clarke, Chapman and Co.	348 0 0	345 0 0	The windlass offered by this firm is exactly similar to the original supply.
Machine numbering	D. 3094/3095, dated 27th August 1924.	C. W. Shortt and Co., Ltd.	126 3 9	86 12 10	This is in accordance with the Indenting Officer's wishes as indicated in his demand.
Varnish	D. 3114/4752, dated 28th August 1924.	R. Kearsley and Co., Ltd.	850 0 0	800 0 0	Tenders were referred to India and the machine offered by Shortt and Co. was considered by the Indenting Officer to be the more suitable.
Carnae elements	D. 3135/4674, dated 29th August 1924.	General Electric Co., Ltd.	1,187 10 0	1,153 6 5	Accepted on the ground of the superior quality of varnish offered.
Carnae elements	D. 3136/5037, dated 29th August 1924.	General Electric Co., Ltd.	53 10 0	48 4 0	Considered best value for money.
Locomotive	D. 3443/S. 6957-A., 17th September 1924.	A. Barclay, Sons and Co., Ltd.	1,460 0 0	1,100 0 0	Best offer. The small additional cost considered negligible compared with the better quality offered by the accepted tenderer.
Paraffinum liquidum	D. 3693/2821, 29th September 1924.	The Anglo-American Oil Co., Ltd.	45 0 0	43 15 6	The General Electric Co.'s quotation was actually the lowest offer based on output guaranteed per ampere hour.
Paper, writing	D. 37 86/1976, 4th October 1924.	J. Dickinson and Co., Ltd.	2,487 11 6	1,680 0 0 (approx.)	Selected by the Indenting Officer to whom tenders were referred.
					Superior value offered as compared with the lowest tender.
					Messrs. Dickinson's paper was demanded. Quotations were also obtained from other makers and samples and prices were sent to the Indenting Officer who selected Dickinson's tender.

PART B.—Cases in which the discrimination is between British firms only—contd.

Stores ordered.	Contract Number.	Name of Contractor.	Amount of Contract.	Lowest Tender not accepted.	Reason for acceptance.
Buffers	D. 3728/5390, 4th October 1924. (Pt. order.)	P. and W. MacLellan, Ltd.	£ s. d. 2,335 0 0 (for 600 buffers).	£ s. d. 2,475 0 0	In order to meet the Indentor's requirements regarding delivery, 600 out of 3,000 buffers were ordered from P. and W. MacLellan, Ltd. The balance of the order was given to the lowest tenderer.
Machine, hacksaw	D. 3757/3760, 6th October 1924.	E. G. Herbert, Ltd.	£ s. d. 65 19 7	38 19 5	One machine at £45-19-7 was selected by the Indenting Officer to whom the tenders were referred. (He also selected one machine from the lowest tenderer.)
Wire, insulated	D. 3805-S/2523, 7th October 1924.	Callenders Cable and Construction Co., Ltd.	£ s. d. 560 17 0	559 17 3	Callenders are the only firm who have made this cable, specially suited to the tropics, with entire success. Complaints have been received in respect of all cable of this type ordered from other firms.
Swords	D. 3990/5311, 31st October 1924.	Wilkinson Sword Co., Ltd.	£ s. d. 255 15 0 (Pt. order.)	198 9 3	The lowest tenderer's previous contract (dated June 1924) had to be cancelled owing to their failure to supply satisfactory swords. Part of the present order has been given to them to afford them another chance as they are the only competitors of Messrs. Wilkinson, but it would be inadvisable to allot them the whole order owing to the rather considerable risk of failure.
Quinines hydrochloricum	D. 4125/2829, 31st October 1924.	Burroughs Wellcome & Co.	£ s. d. 460 9 3	456 19 2	The balance of the order has been placed with the Wilkinson Sword Co., as shown.
Diathermy apparatus	D. 4280/6056, 11th November 1924.	Watson & Sons (Electro Medical, Ltd.).	£ s. d. 104 16	91 16 0	Accepted on the ground of the greatly superior value offered as compared with the lowest tender. Messrs. Watson's apparatus was specified by the Indenting Officer. Tenders were called for, however, and a quotation lower than that submitted by Messrs. Watson was received. The tenders were referred to the Indenting Officer, who asked for Messrs. Watson's apparatus to be supplied.

PART B.—Cases in which the discrimination is between British firms only—*cond.*

Stores ordered.	Contract Number.	Name of Contractor.	Amount of contract.	Lowest Tender not accepted.	Reason for acceptance.
<p>• • • • •</p> <p>Stertilisers . . . • •</p>	<p>D. 4348/8055, 10th November 1924.</p>	Down Bros., Ltd.	£. s. d. 27 18 4	£. s. d. 10 12 6	<p>The order has been placed with the firm whose name was expressly specified in the indent by the Indenting Officer. This firm's tender was the highest received although within the estimate of cost. The two lower tenders received were passed over in accordance with the instructions of the Indenting Officer.</p>
<p>• • • • •</p> <p>Press, wheel hydraulic</p>	<p>D. 4373/5877, 21st November 1924.</p>	Sir W. G. Armstrong Whitworth & Co., Ltd.	775 0 0	762 0 0	<p>One of these tenders—the lowest came from a firm whose sterilisers had already been tried by the Indenting Department but had not been approved of.</p>
<p>• • • • •</p> <p>Decolorising carbon</p>	<p>D. 4459/6554, 1st December 1924.</p>	Haller and Phillips, Ltd.	225 0 0	178 15 0	<p>Sir W. G. Armstrong Whitworth's quotation was within the estimated cost and was accepted on the ground of the better value offered as compared with the lower tender.</p> <p>The press was heavier and of better design.</p> <p>The tender at £225 was within the estimated cost of £240 and the carbon offered was double the strength of that offered at £178-15-0.</p>
<p>• • • • •</p> <p>Road rollers</p>	<p>D. 4550/6885, 10th December 1924.</p>	Aveling and Porter, Ltd.	3,848 2 0	3,381 17 6	<p>Aveling and Porter rollers were demanded as being preferred by the local drivers and being more suitable for the working conditions in Burma.</p> <p>Rollers by another well known maker were offered at a lower cost as shown in the previous column, but value for value on a dead weight basis, there was little to choose between the two.</p> <p>The selection was referred to the Indenting Officer who chose Aveling and Porter's make.</p>

PART C.—Cases in which the discrimination is between Foreign firms only.

Stores ordered.	Contract Number.	Name of Contractor.	Amount of contract.	Lowest Tender not accepted.	Reason for acceptance.
			£ s. d.	£ s. d.	
Loco crank axles . . .	D. 2405/3379, 3rd July 1924.	Fried. Krupp	2,611 0 0 (German.)	2,601 4 0 (German.)	Superior reliability as makers of crank axles.
Screw spikes	D. 3750/6164, 6th October 1924.	A. deBary	564 14 5 (Belgian.)	545 14 8 (Belgian.)	Accepted on the grounds of the quicker delivery offered and the superior reliability of firm tendering.
Microscopes	D. 4314/4768, 17th November 1924.	J. W. Atha & Co.	23 11 0 (German.)	20 14 4 (German.)	Zeiss' microscopes were demanded and Messrs. J. W. Atha & Co. tendered for that firm's apparatus at £27-6-6 (subsequently reduced to £23-11-0). A tender at £20-14-4 for an equivalent set of apparatus was received from another firm and both tenders were referred to the Indenting Officer, who selected the tender for Zeiss microscopes.
Oil tank wagons	D. 4399/6340, 24th November 1924.	H. J. Skelton & Co., Ltd.	9,774 1 0 (German.)	9,062 10 0 (German.)	Accepted on account of quicker delivery. 15 out of the 34 wagons demanded were required at the earliest practicable date; the remainder were required in India during 1924-25. These requirements could not be met by the acceptance of the lowest tender.
W Tyres, steel	D. 4646/7496, 18th December 1924.	Fried. Krupp	788 1 0 (German.)	751 5 6 (German.)	Accepted on account of the earlier delivery offered. The indent required delivery in India not later than 18th January 1925. Messrs. Krupp (next to the lowest) offered shipment in three weeks of the date of order, whereas the lowest tenderer required eight weeks.

ACTION TAKEN BY GOVERNMENT ON RESOLUTIONS ADOPTED BY THE
LEGISLATIVE ASSEMBLY DURING 1924.

Mr. L. Graham (Secretary: Legislative Department): Sir, I lay on the table the information promised in reply to a question by Mr. R. K. Shanmukham Chetty asked on the 16th February 1925, regarding the Resolutions passed by the Legislative Assembly during the year 1924 and the action taken by Government thereon.

In regard to Resolutions adopted by the Legislative Assembly during the Delhi session 1924 the Honourable Member is referred to the statement which was laid on the table on the 27th May 1924 in reply to Mr. S. Sadiq Hasan's question on the same subject (pp. 2261-2262 of the Legislative Assembly Debates, Vol. IV, No. 39). Further action since taken by Government in regard to items 1, 2, 3, and 4 of the statement referred to is shown in the Memorandum laid on the table. No non-official Resolution was adopted during the May-June session of the Legislative Assembly. A further statement in regard to Resolutions adopted during the Simla session 1924 is also laid on the table.

*Memorandum showing further action since taken by Government on the non-official
Resolutions adopted by the Legislative Assembly during the Delhi Session 1924.*

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Further action taken by Government.
1	5th February, 1924.	Mr. B. Venkata-patiraju.	Amalgamation of the Indian Territorial Force with the Auxiliary Force.	Army	The report of the Committee which was appointed in this connection will very shortly be published and Government will then consider what action is necessary with reference to the recommendations made by the Committee.
2	7th February, 1924.	Mr. K. C. Neogy	Countervailing duty on South African Coal.	Commerce	Reference deferred pending the receipt of report of an expert Committee appointed to advise on stimulation of export trade in coal.
3	5th, 8th, 13th and 18th February, 1924.	Diwan Bahadur T. Rangachariar.	Full Self-Governing Dominion Status for India.	Home	The Reforms Inquiry Committee appointed in accordance with the undertaking given by Sir Malcolm Hailey has submitted its report which is at present under the consideration of Government.
4	12th February, 1924.	Mr. K. Ahmed.	Answering of all questions in the Assembly regarding subjects over which Government of India have power of superintendence and control.	Home	The question is under consideration in connection with the report of the Reforms Inquiry Committee.

Statement showing the Resolutions adopted by the Legislative Assembly during the Simla Session 1924 and action taken by Government thereon.

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
1	18th and 22nd September, 1924.	Mr. K. Rama Aiyangar.	Suspension of the Taxation Inquiry Committee.	Finance.	In view of the opinion expressed in the Legislative Assembly regarding the need for an economic enquiry, the Government have appointed an Economic Inquiry Committee.
2	22nd and 24th September, 1924.	Seth Kasturbhai Lalbhai.	Abolition of the cotton excise duty.	Finance.	The matter is still under the consideration of the Government.

BILL PASSED BY THE COUNCIL OF STATE LAID ON THE TABLE.

Secretary of the Assembly: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table a Bill further to amend the Indian Ports Act, 1908, which was passed by the Council of State on the 20th February, 1925.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: The following Message has been received from the Secretary of the Council of State:

"I am directed to inform you, that the Council of State have at their meeting of the 20th February, 1925, agreed without any amendments to the Bill further to amend the Indian Income-tax Act, 1922, which was passed by the Legislative Assembly on the 11th February, 1925."

THE COTTON GINNING AND PRESSING FACTORIES BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Charles Innes (Commerce Member): Sir, I beg to present the Report of the Select Committee to which the Bill to provide for the better regulation of the Cotton Ginning and Cotton Pressing Factories was referred.

THE INDIAN PENAL CODE (AMENDMENT) BILL (AGE OF CONSENT BILL).

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Sir Hari Singh Gour (Central Provinces, Hindi Divisions: Non-Muhammadan): Sir, I beg to present the Report of the Select Committee appointed to consider the Indian Penal Code (Amendment) Bill, otherwise known as the Age of Consent Bill.

GENERAL DISCUSSION ON THE RAILWAY BUDGET.

Mr. President: The Assembly will now take up the general discussion of Part I of the Budget.

Sir Campbell Rhodes (Bengal:European): Sir, before entering on some mild and gentle criticisms of the Railway Department, I should like to congratulate the Honourable Member and Mr. Hindley on the way in which the Budget has been presented and on the facilities which have been given us to discuss the Budget both in general and in detail. The attitude of myself and of many who in the old days agreed with me, Sir, is that, now that the State management of Railways has come, we are prepared to accept the position as we find it and to devote our attention to seeing that the Railway Department is worked on sound commercial lines. There I agree with my friend Mr. Jamnadas Mehta, but when he suggests that the Railways should be cut down in order that industries should be developed, I am afraid we are poles asunder. Sir, the development of Railways in India has been going on at far too slow a pace, and that pace, owing largely to the war, has not been increasing. Between 1865 and 1875 the mileage was increased by 94 per cent.; in the next ten years it was increased by 87 per cent.; in the next ten years by 59 per cent.; then by 44 per cent.; then by 24 per cent. and in the last ten years the open mileage was increased by the small figure of 8 per cent. Looking into some figures, I find that between 1912 and 1921, there was a 10 per cent. increase in the mileage, whilst, on the basis of unit mileage passengers increased by 37 per cent. and goods by 27 per cent. It is obvious, therefore, Sir, that the Railways, as at present constituted, are getting very much overburdened. Doubling of lines and extension of marshalling yards are badly needed. The Honourable Sir Charles Innes in his budget statement gave us the enormous figure of 121 lakhs as the amount paid in one year in compensations. That has been materially reduced and all credit to the Railway Department. But, Sir, I do not think it has only been a question of watch and ward. I think the amount of the compensation paid was largely due to the congestion on the lines and the way in which loaded wagons had to be left in marshalling yards, sometimes for weeks at a time. As our railway facilities improve, I believe that figure will again come down.

Now Sir, on the question of the development of our Railways, I should like to say a word about the functions of the House, the Advisory Committee and the Railway Board. The Honourable Member in a statement which was received with applause in the House said:

“ My idea is indeed to make to the House more or less the sort of speech which the Chairman of a Board of Directors would make to the shareholders of a Company. That, I think, it may be fairly said, is the position at which we eventually hope to arrive.”

Then, Sir, this is the annual meeting of the shareholders. We have our opportunity to discuss the broad policy of the Directors. And, if we accept that position, I think during the year we might worry the Railway Board less on minor matters of administration in remote stations and not ask those innumerable questions which come so largely from what I may call the perimeter of the House. But, Sir, the Advisory Council stands in a slightly different position. It is almost in the position of a Board of Directors and I was very pleased to hear that tribute to the Railway

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Advisory Council which fell from the lips of Sir Charles Innes. I hope, Sir, that the personnel in that Council will not change materially from year to year. I hope that it will soak in railway matters and be of real assistance to the Railways, that instead of facing the Railways with the House at its back it will slowly come into the position of facing the House with the Railways at its back, and be in the House to support the Railway Administration on policies which, I hope, it will have had a great share in formulating. And then, Sir, we come to the Chief Commissioner. The position of the Chief Commissioner has been very well stated by the Railway Commission which inquired into the new South Indian Railways.

“The transport needs are constant and they are vital factors in the every day life of all the people and should not be made in anyway the shuttlecock of politics. They should be free from influence of either parties and when once the Chief Commissioner is appointed he should be trusted to carry on his duties to the best of his ability and in his own way subject solely to the limitation of his powers in regard to rates and fares, staff and other matters of defining his policy.”

Sir, though I do advocate giving our Chief Commissioner a very free hand at the top, I am a little suspicious of this growing influence of the Railway Board and its growing staff. And I should like at the close of this debate to-day an explicit statement from Sir Charles Innes as to what is the position under the new régime of the Agents of the Railways. Are they being worked down into subordinate State officials, killing time until they earn their pension, or are they being given that free hand which they enjoyed in the old days under Company management? If they are not being given a free hand, free scope for all their ability, then, Sir, the Agent of the future will be altogether a different type of man to the Agent of the past. And in this connection I would ask the Government to get away from the word “Agent” altogether and adopt the English method of calling him what he ought to be—a General Manager. By all means strengthen your Local Advisory Committees. They should be there, partly elected, partly nominated bodies, fully representative of the communities that use the Railways and ready to help the local Agent. But they have a function entirely different to that of the Central Advisory Committee. I see this danger of centralisation in many ways. It is indicated in the number of appeals to the Railway Board which is undermining discipline, by the number of questions asked in this House, in the assumption now that Government should take over all branch lines. And in that connection I must utter a very gentle protest against the cavalier way in which Sir Charles Innes referred to what has been done by private enterprise in connection with branch lines in the past. He suggested that the capital had been small, the total amount involved was a trifling matter. Sir, this private enterprise came in at a time when Government themselves were not prepared to act. But it was not only confined to branch lines. The successful year's working of the Railways on which we congratulate Sir Charles Innes this year is largely due to the fact that the main lines in the first instance were the result of private enterprise and India owes its prosperity in railway matters very largely to these pioneers of my own community, one of them my own partner to-day, who dreamed dreams and saw visions of the future of the Railway industry and started those big main lines. I see this danger of centralisation in another way. Mr. Hindley in a speech made in another place prided himself on the standardisation that is being effected and then added “Standardisation is sometimes stigmatised as stagnation”. Standardisation is an excellent thing but in a

country of this vastness to carry it too far is really dangerous. Are our Works Managers at large centres to be merely Works Foremen? Are their plans all to be handed down to them from the Railway Board and are they to show no initiative, no originality, and to make no experiments? If so, there will be no progress. Therefore, Sir, the burden of this part of my speech is that this House and the Railway Board should take its hands off local management. It has much left to do. It has to form broad policies. It has to open new areas. It has to show vision similar to that of the men who built the Canadian Pacific Railway in the old days. It has to think big. In this connection, Sir, I do heartily congratulate the Government on having at last really started the Raipur-Parvatipur Branch line which is to open up the Vizagapatam Harbour. It is pointed out that this will return 5·83 per cent. on the capital employed. Sir, I suggest that it will return very much more. It will return as much again to the country by the opening up of those vast tracts and by giving us a safe harbour on that long coast line between Calcutta and Madras. I do hope that Government will press on earnestly with that scheme and that the Railway Advisory Committee will see that Government do so. But, Sir, I see a slight danger when I mention the figures of possible returns. The Acworth Committee did not recommend that the Railways should give any return to the Government. We in our wisdom have seen fit to take 1 per cent. from them. Herein lies the danger of clashing of interests. If Government raise money at 5 per cent. and a proposition showing 5½ per cent. is offered to the Railway Board, they will turn it down. They cannot afford to lose ½ per cent. But it is greatly to the interests of the country that such a railway should be built. There is therefore a slight clashing of interests. Mr. Jamnadas Mehta will tell me at once that these are commercial heresies coming from a commercial man. May I quote from an authority who is regarded as the archangel on all railway matters by this House? He says:

“Why in the nature of things should any one expect an organisation constructed to minimise expenditure for non-productive purposes and a staff trained to work on these lines to be competent to control a commercial undertaking whose essential object must be to spend freely in order to maximise profitable production?”

Those, Sir, are the words of Sir William Acworth, who ever since he blundered into the wrong lobby at the heels of a very distinguished Member of this House has been doing his best to guard against the evils into which he has plunged us. The only solution to this question, Sir, is in the building up of reserves, and I am very glad to find that not only is there a small surplus this year but that it is to be carried to reserves. It is a small beginning. It is hardly worth considering. No commercial firm would consider that it had reserves if those reserves amounted to a fraction of 1 per cent. of its capital. If these reserves are built up into really substantial figures, then I think the Railway Board will be encouraged to start on lines which may take a little longer than some of the more paying lines to become remunerative, but which for that very reason are often more required by the country. For, it is easy to build railway lines skirting, say, rivers, where you have already traffic and where you can get a quick result.

And now, Sir, may I speak for one moment provincially? In the place of the branch line terms the Railway Board have suggested that the provinces can, if they are prepared to guarantee the rate of interest,

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have such railways built as they want. The offer is made in the following words:—

“As it is not desirable that the Central Government should make any profit out of such contributions by local authorities, it is also proposed that where contributions have been made by a local authority for this purpose, the repayment of such contributions should be a first charge on any net profits subsequently realised from the line, should the line prove remunerative.”

Instead of the old, sound—I won't say generous—branch line terms we have here this proposition of “Heads I win, tails you lose”. That is the pathetic offer—may I say “Sim”—pathetic offer—which emanates, I take it, from that cold, grey granite city of the north where even the liners on the horizon can be identified by the fact that there are no gulls following them. That, Sir, is quite inadequate. The offer is no inducement to the provinces to come in and advocate the building of lines. May I become still more provincial and speak just one word about Bengal? Let me congratulate my Bombay friends on having got at last the electrification of their suburban traffic started and I am very pleased to hear from the remarks which fell from Mr. Hindley in another place that the proposition of the Calcutta suburban traffic is also going to be tackled in the near future. I trust that our suburban traffic will be electrified with less delay, say, than the extension of the broad gauge to Siliguri.

Then, Sir, there is another very important statement made by Mr. Hindley which, with your permission, I will read at length, because it is a statement of very great consequence and contains a barely hidden threat:

“We are also re-examining the problem of suburban traffic in Calcutta and we expect to be able to elaborate a scheme whereby that city can be relieved from some of its present difficulties and be given an adequate rapid transit electric service between the city and its suburbs. I cannot refrain from remarking that the delay in providing an adequate permanent bridge across the Hooghly in the neighbourhood of Howrah, which delay seems likely to continue for many years unless the citizens of Calcutta wake up to a sense of their responsibilities, is having a serious effect on the whole problem of handling railway traffic into and out of the city. If we are to contemplate a further prolonged delay we must attempt a complete revision of our terminal arrangements, and we are about to make a serious practical examination of this large problem with the object of securing to the public the best facilities for terminal traffic which the various routes into and out of Calcutta enable us to make.”

At the present moment the Railways do not contribute to the upkeep of the Howrah Bridge, but they do collect for us a terminal tax which is practically equivalent to a toll across the bridge. The veiled threat is that tax will be withdrawn, that they will find another way into Calcutta and put on their terminal tax probably in connection with the proposed Bally Bridge. I am not sorry, Sir, that Mr. Hindley has made that threat. I do not stand here as a representative of Calcutta. My constituency is Bengal. This Howrah Bridge question is one which affects not merely Calcutta, not merely Bengal, but Bihar and Assam too. It is an Imperial problem and if a threat of that nature can cause Calcutta to move a little faster than it has been doing, I say that Mr. Hindley did a very good day's work when he made that speech. But, Sir, the Railway Board cannot get rid of their responsibility by complaining merely of the delay in Calcutta. The Howrah Bridge is little more or less than the approach to the passenger and goods railway station at Howrah from the city of Calcutta and we do and shall expect a large contribution from the central revenues for that purpose. We are, of course, supposed to be a wealthy province. To use a metaphor I recently heard in this House, however,

every train that leaves the Howrah station for Delhi carries with it a large portion of our milk and honey. We were wealthy until all our money was absorbed into the central revenues, and therefore we do ask Government not to treat us generously but to treat us fairly on this question, this Imperial question of the Howrah Bridge. It is their duty to get their railway into Calcutta, either to improve the approaches to the present station or to build that bridge which will bring the mail trains into Sealdah and give access to the Kidderpore Docks. I also hope that when they consider that bridge they will consider putting up a roadway either alongside or under or over the rails in order to increase the facilities of the port. That, of course, is a question of the province co-operating with the Central Government. But, Sir, there is no question that this is a very serious matter which has got to be tackled at an early date. The problems of traffic in Calcutta are peculiar. Owing to the lack of markets and big centres of distribution in Bengal, Bihar and Assam the bulk of the goods imported is brought into Calcutta instead of, like in every modern city, going straight from the docks to up-country centres. They find their way into small godowns in narrow gullies in Barabazar and hence we find it impossible to use motor transport. It is a big question. It is a question in which there are many bodies involved—the Improvement Trust, the Calcutta Corporation, the Bengal Government and the Railway Board. In conclusion, I do want to stress the fact that the Railway Board have got a very serious responsibility in this matter, and though I welcome their attempt to put pressure on Calcutta and save us from that plethora of engineering experts with which we are cursed, they cannot evade their responsibility and we must ask them to contribute and contribute largely.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, when my Honourable friend, who has just resumed his seat, began by saying that he and the interests that he represents in this House have reconciled themselves to State management, I felt that that was the last word that he was going to say on that subject. But when he quoted from that great authority on railway matters, Sir William Acworth, he thought it fit to say that he (Sir William) had blundered into a wrong lobby. That, Sir, is the difference of opinion and the difference in the angle of vision between his community and the Indian community interested in the Railways. The Indian public very strongly feel that for once Sir William Acworth vindicated the claim of Britishers to come out here, look at problems impartially and give their opinion. If there is any confidence still left amongst Indians in people brought out from England as experts to report on a problem, it is due to Sir William Acworth, and I wish to say at the very beginning that instead of blundering into the wrong lobby Sir William Acworth showed a great sense of self-confidence and courage of conviction and went into the right lobby when he gave his considered and valuable opinion in favour of State-management for the Railways of India.

The Honourable Member, when submitting the Railway Budget to this House on Friday last, said that he proposed to address this House in the capacity of a chairman of a joint stock company. I think that that is the fittest position he could have taken up bearing in mind that a few months back, after a great deal of discussion, and perhaps at the earliest stages of misunderstanding, this House agreed to treat the Railways of India, as far as their budget and accounts were concerned, from a commercial point of view. But I feel that the Chairman of the Indian Railways

[Sir Purshotamdas Thakurdas.]

Company Unlimited, if I may call it, was addressing not the shareholders of the Indian Railways but the directors for the time being on last Friday. My Honourable friend, Sir Campbell Rhodes thought that this Assembly were the shareholders and that the Central Advisory Council were the directors. I feel that the shareholders are represented directly by my Honourable friend, Sir Basil Blackett, the Finance Member and this Assembly is in the capacity of directors who are responsible to others who have a sleeping interest with Sir Basil Blackett in the railways of India. (The Honourable Sir Basil Blackett: "Not sleeping.") Sleeping partners are those who have put in their capital but do not claim any direct voice in the management. I ask my Honourable friend Sir Basil Blackett if that is not the correct wording to use for the tax-payer of India who has handed to him his money and said, "We will rely on you to get us reasonable dividends." If that is the correct position, I feel that this House has got to scrutinise the Budget which my Honourable friend, Sir Charles Innes, has presented and the accounts of the Railways of India with a very critical eye.

I fully realise that being a member of the Central Advisory Council and of the Standing Finance Committee for Railways it may be expected of me that I should have raised any points which I might have to raise in those two Committees. But, as Sir Charles Innes has said, everybody concerned in the presentation of the Budget last week-end had to work against time. I am sure he will bear me out when I say that the two Committees I have referred to had to work against time too, for the Budget and the various important parts of it were presented to the Railway Finance Committee only a few days back and very little time indeed was available to members of that Committee to go into the figures presented to them. Therefore I feel that although I would have liked to criticise the Budget, in the few directions that I propose to now, in the Committee, owing to the special circumstances of this year the Budget can only be criticised even by members of the two Committees in the Assembly; and I wish, Sir, at this stage to express my appreciation, as well as that of the other non-official members of the Committees, of the very prompt manner in which Mr. Sim, Mr. Parsons and others of the Railway Department made available to us whatever information we required. The time at their disposal, as we all realised, was very limited and I can only say this much that there are no figures that we asked for which they could not put up or did not put up to us. Our difficulty was that we had not enough time within which to go through the figures, and even though this Budget may get through the Assembly this year as it is presented, it should not be said that any principle of importance was accepted by this Assembly in passing this Budget.

I wish, Sir, in the first instance to inquire of the major shareholder in this company why he has thought fit to agree—for I take it that the Honourable Chairman of the Company has satisfied the major shareholder that the Budget is in order—why he has thought fit to agree to a very substantial change in one of the conditions on which the separation of the Railway Budget from the country's budget was recommended by him to the Assembly last March and indeed was accepted by this Assembly. Sir, I wish to refer to the Honourable the Finance Member's speech last year. There in paragraph 41 the Honourable the Finance Member said that the deficit of 3 crores which was then perceived in the Stores would have to be ultimately written off by the Railway Department from their

surpluses and during ten years. If the Honourable the Finance Member would like me to read out the relevant part I will do so, but I am sure that I am quite clear to him. Here, Sir, in the copy of Sir Charles Innes' speech page 4 (the paragraphs are not numbered this year) under the heading Expenditure during the next year, this is what is said:

"One reason for this excess is that we hope to make a beginning with a very important improvement . . . We are also setting aside 50 lakhs for speeding up repairs to rolling stock and we are allotting 50 lakhs to meet the cost of the measures which we are now taking to get rid of surplus and unserviceable stores."

Sir, the Finance Member definitely told us in his speech last year that if the separation of the two Budgets was agreed upon that deficit which he estimated at 3 crores would be written off out of the surplus due to the Railways. Later on, I understand that that amount of deficit was discovered to be much less than 3 crores. The Honourable the Commerce Member now says that on the expenditure side for the coming year he proposes to write off 50 lakhs of rupees from the revenue expenditure. I feel, Sir, that the commitment of the Honourable the Finance Member, the major shareholder of this company last year was so definite that this amount of 50 lakhs must have been allowed by him to be written off the revenue expenditure of the coming year through a sheer oversight. I therefore suggest that he would himself perhaps insist upon that amount being taken off from the revenue expenditure side and debited to the railway surplus due to the Railways, thus getting him about 17 lakhs more out of the 50 lakhs, being the excess over 3 crores.

There is one particular point of view from which I think this Assembly must look at the Budget for the Railways this year and hereafter. We are now providing under the scheme that has been approved of by the Assembly for an accumulation in the railway reserve and the depreciation of the railway plant of an amount which will very nearly exceed 10½ crores by the end of next year if the estimates that have been presented by the Honourable the Commerce Member stand. I wish particularly to speak regarding whether the estimates that he has forecasted are likely to stand or not a little later. With the separation of the two Budgets at the end of next year the Railways of India would have 10½ crores to their credit as follows: 7·38 crores for reserve and 3·33 crores for depreciation—depreciation over and above what would be spent, depreciation in excess of what would have been debitable to the revenues under the old scheme. Now 10½ crores is, I submit, not an insignificant amount to be able to lay aside and it also, I think, would speak of the great denial and of the great determination of this House to treat the Railways of India from a commercial point of view if they agree to this. The question, however, which the Honourable the Commerce Member has raised is "Is reduction in fares and rates due even for consideration at this juncture"? In one part of his speech the Honourable the Commerce Member said, "The House will no doubt want to know whether we propose to make any use of our reserves in 1925-26. The answer is No." And the reasons given for his answer are that the conditions under which he budgets for the surplus, etc., next year are uncertain. I realise that a budget is always based on normal conditions and on normal outlook. Unless something very unexpected on the wrong side happens, these figures should to my mind stand, but I go further and I say that the Railways of India cannot help making a profit. It is a question only of half a crore more or half a crore less. The reason to my mind is a very simple one. You put up the rates since 1913-14 in various degrees. In passenger fares, the increase

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has been anything from 33 to 50 per cent. and in goods it has been any thing from 15 to 35 per cent. You have had to put up the rates during war against the increased cost of running the Railways. The increased cost of running the Railways consists in several directions, more for labour, more for the raw materials that you require such as coal, etc., and more for the manufactured articles which you had not only to buy in this country but which you had to import. There is a useful diagram in the Railway Board Report which shows the various percentages of each one of these concomitant parts which go to make up the total Railway expenditure. Now in the total 100 of this is included 27·8 per cent. which is a fixture for annuities, interest and other items which do not vary. You borrowed money before the war at 3 and 4 per cent. and you still continue to pay interest at the same rate. The balance is liable to fluctuations. In the case of imported articles the fluctuations have been to our credit. Prices abroad of machinery, etc., have gone down very materially and although I cannot say what is the percentage as far as the railway machinery is concerned, they certainly have gone down so materially that they would show a considerable improvement over the results of the Railways in that direction in 1920-21. The only factor which has been stationary and where the increase over the pre-war rate is unavoidable is of course in the wages for your labour and the payment of your service, subordinate and superior. As to what the correct percentage of that would be I have not been able to make out, but I feel that the imported stores and the local stores that you buy here, the coal and the machinery which you want for revenue expenditure purposes, would all be available much cheaper than during the last 2 or 3 years. As long as there is no reduction in rates and fares, the Railways of India must make money and cannot but make money, as I say unless there is something very wrong in the nature of a strike or some unforeseen disaster.

Under those circumstances I do not think the Honourable the Commerce Member could have run any great risk if he had taken it for granted that given normal good luck his estimate for the next year would stand. Sir, what therefore we require to know is, if within the next six months he finds that normal progress and normal conditions prevail, whether it is the intention of the Honourable the Commerce Member to consider the question of a dividend for the sleeping shareholders in the Railways of India, the sleeping partners with the Honourable the Finance Member, namely, the tax-payers. And the tax-payers for railways divide themselves into two categories, those who pay taxation in one form or another, and those who benefit the Railways in India by using them. I do not think I need carry this any further. But I do feel that whilst the Assembly have definitely decided to stand by and carry through most scrupulously the convention arrived at last year, it is very necessary that the Honourable Chairman of the Railway Company Unlimited of India should bear in mind that it is very necessary to declare in the near future a dividend to those who have put in their money and to those others for whose benefit the Railways of India are, and should primarily be, run. I do not wish, Sir, in the slightest degree to hurry in this matter. I want that every possible consideration should be given to the direction in which the dividend may be declared, but I do feel that a year more should not elapse before we begin to think of this and to talk of this. I think, Sir, that if we ask now that a constructive scheme should be put forward as to

the directions in which concessions and remissions would be given out of the railway reserves and out of the railway profits, we are not asking for anything that can be said to be either premature or indeed even rash.

Sir, in that connection the delay that has occurred in getting the Rates Tribunal to work is very disappointing. The Honourable Mr. Sim replying to me towards the end of last month said that the Secretary of State's Despatch had barely been received by him on the 25th of last month and that he was not then in a position to make any declaration as to what the Government policy was going to be regarding that Tribunal. Sir, the Acworth Committee's recommendations have been used by the Government of India before now for several very good reforms that they have introduced. The starting of the Rates Tribunal was one of the most important things which the Acworth Committee very strongly recommended. But before the Acworth Committee, Sir, another very important Commission appointed by the Government of India, the Holland Commission, made very cogent remarks regarding the necessity of seeing that the rates charged by the Railways of India were equitable in the interests both of local industries and of the agriculturists. I feel, Sir, that the longer the delay in this matter the more suspicious would the Indian public be as to the reasons and the motives of the delay. Why is there delay at all when the Acworth Committee reported more than three years back?

Sir, the Honourable the Finance Member asked us to agree to a system of taxation, or rather to an inquiry as to the desirability of starting a system of taxation on scientific lines. We have also been asked, Sir, to agree to a system of debt redemption on scientific lines. Is it not, Sir, due to the agriculture, trade and industry of India that the system of rates charged on the Railways of India should be based on something scientific and something which can be easily understood? Unless you have some such system I really wonder how Sir Charles Innes himself, or indeed the Railway Board, and much less the two sub-committees appointed by the Assembly, are going to make up their minds at all as to the direction in which a dividend due to the tax-payer and to the public of India from the Railways should be paid. I therefore, Sir, urge very strongly, and urge with all the emphasis at my command, that no delay should occur in getting the Rates Tribunal started exactly on the lines on which the Acworth Committee recommended it. I feel that the sooner it is started the better for everybody, including the Government of India.

The Honourable the Commerce Member referred to an amount of Rs. 47 lakhs being provided in the next budget as against Rs. 78 lakhs in 1922-23 and Rs. 1,21 lakhs in 1923-24, for compensation for claims on account of thefts, etc., on the Railways. The smaller amount, Sir, is very welcome, but in 1913-14 the amount that was required for this purpose was only about 25½ lakhs. I fully realize that since then the total quantity of traffic carried is bound to have increased. The railway system has extended and to that extent the amount may show an excess. But the point, Sir, is whether the amount that has been earmarked this year could be divided into various heads, so that the public and this Assembly might know the quantity at stake, irrespective of prices, because there has been variation in prices; and secondly, how many claims have been disallowed by Railways behind the plea usually put forward by station masters, in many cases unjustifiably, in some cases quite correctly, that a certain railway risk note having been signed by the consignor does not make the railway liable to pay the claim. Now, Sir, the complaint in this connection usually is that small

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consignors of the humble shopkeeper class do not get their claims met by the Railways, while those who can fight out their cases and others who may have influence always get their claims settled fairly early and in a prompt manner. I suggest in this connection that regular statements of (a) claims lodged (b) claims admitted and (c) claims rejected should be called for from the various railway headquarters and orders should be issued that the Agents at each of these railway headquarters should put these statements at regular intervals before the Local Advisory Council, so that the local advisory body may criticise these statements in the light of their knowledge of local affairs. If after that these statements come up to the Railway Board, it would be very easy for the Railway Board to follow the course of the existing discontent in this question as far as the general public is concerned. It should not be a satisfaction to this Assembly, Sir, that less money will be paid next year than in previous years for meeting claims. What this Assembly should insist upon is that the claims themselves should decrease numerically. And for this purpose I suggest that there is only one remedy, and that is that the railway authorities at the headquarters of each railway should take very strong notice of every report of theft and institute a searching inquiry into the number of claims that may be made against each railway. The criterion should not be how much a railway has paid out; the criterion should be how many complaints did a railway organization receive; and if in the reports which are scanned by the local authorities they go into the question of why the total complaints increased, I hope that they will be able to put an end to this complaint much sooner than by simply notifying that the total amount that they propose to defray in a year is smaller than in the previous year. I submit, Sir, that in this connection the Railways in India should try to emulate the Postal Department of India which still continues to carry the reputation of handling the articles entrusted to them by the public in a very straight and honest manner. A little slackness here and there may be perceived at times, but on the whole I think one is safe in saying that once a letter is put through a post box even on the roadside, one feels easy in his mind that he has entrusted it to somebody who cannot easily and without something very very extraordinary happening go wrong. I am afraid the Railways will have still to work hard to get to that reputation, and I suggest that the criterion in this matter should be not merely the amount of money which is to be earmarked but the total of complaints received and the recognition of measures of prevention by Agents of various railway organizations on that basis.

Sir, my Honourable friend, Sir Campbell Rhodes, said that the development of Railways in India has been going on too slow. I would say, Sir, that the development of transport facilities in India has been slow. As to whether these transport facilities can be had only in the shape of more railways or whether other forms of transport facilities should be encouraged by the Central Government is to my mind a very important question which I do not propose to weary the Assembly with to-day, as I have given notice of a small amendment on the subject of the capital outlay and I propose to express my views on that subject later. But I do feel this that as long as there is a cheaper means of transport which can be devised for the various parts of India, one should not restrict himself to Railways alone. There are some parts where

you can have nothing but railways for transport, and therefore where you have an alternative, railways may be kept in reserve for other places which have no other alternative. With these remarks, S'r, I wish to express my great gratification at the surplus budget which the Honourable the Commerce Member has been able to place before us and with which he is able to give a start to the new era opening next year in connection with the Railways of India.

Mr. K. Rama Aiyangar (Madura ceded districts and Ch'toor: Non-Muhammadian Rural): Sir, I congratulate the Assembly and the Honourable the Commerce Member on the present form in which the Railway Budget is placed before us and on the procedure under which special days are allotted for the discussion of this Budget. Sir, practically we have to deal with a sum of Rs. 195 crores in this Budget: an income of about Rs. 100 crores, and an expenditure, including capital expenditure, of about 90 odd crores, and it is only fit and proper that we have had on this occasion a number of days given to us for discussing all the items. But, Sir, it has been pointed out by the Honourable the Commerce Member that the form in which the Budget has been presented to us is susceptible of improvement according to the suggestions which would be forthcoming from this part of the House. I do feel, Sir, that Honourable Members, when they go into the Budget as presented, will feel considerable difficulty in understanding the various heads. They will also feel much difficulty in comparing them with the past year's working when they take up either the Administration Report or other compilations that will be available to them. In fact it will be seen that for the 46 crores of rupees provided under working expenses, I mean "repairs and maintenance" and also the "operation expenses", there is one demand given; and if you look into the details of each of the Railways, you are not quite able to compare the figures with the figures that are given in the Administration Report, say for example, table No. 31 in the Administration Report which gives all the details relating to the whole of this expenditure. You will see, Sir, that the demand "General Administration" covers various heads, about fifteen in number, all of which are connected with detailed heads under working expenses, "maintenance and repairs" and "operation expenses". It will not be possible ordinarily for any Member of this House to really scrutinise these accounts and suggest correct detailed cuts or make suggestions which will enable the Members to follow the figures and see which relate to which part. I will only take one example and not weary the Assembly with further instances. If you take the Engineering Department which comes under "General Administration," to what table this relates, in the expenditure portion of "maintenance and repairs" or the "operation expenses", you cannot make out. But you do have in table 31 a number of details which will have to be understood properly before one will see whether the expenditure that has been budgeted is proper or otherwise. Therefore I have this suggestion and many other suggestions, but all these I mean to move separately and I do not therefore propose to deal with them further.

Now coming to the revised Budget of 1924-25, the difference now in the receipts is about 2.62 crores, as the present statements will show, over and above what was budgeted; and I do take it, S'r, that before the end of the year it is likely, according to the recent figures given us in the Government Table, which is about 2½ crores every week for the last four or five weeks—it is likely to be more by 1 crore. But

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whatever that be, all that I say is that the difference is so much; and in the case of expenses also what we find after eliminating the two items referred to in the speech of the Honourable Member, namely, $1\frac{1}{4}$ crores customs revenue refund and 1.95 crores in connection with the debit to the Depreciation Fund, is that practically about 3 crores is the difference between the original budget and the revised budget. Altogether you get about 5 to 6 crores practically altered by the revised budget: and my first request therefore will be that in all these years as we have been ordinarily budgeting on the basis of normal conditions, the Budget that you now present should not show such large variations and it ought to be possible to budget more closely. The difference of crores now exhibited should be practically a difference of lakhs if possible. That is one point which will have always to be borne in mind. Otherwise the Budget cannot be worked properly and details cannot be gone into usefully also.

The next point that I will place before this Assembly is the question of the 5.46 per cent. which is expected to be earned next year or this year and referred to in the Honourable Member's speech at page 3. The Honourable Member thinks that the Railway Board deserve to be congratulated because they have worked up to almost the expectations of the Retrenchment Committee. I beg practically wholly to differ from my Honourable friend the Commerce Member's opinion in that matter. I submit, Sir, that the figures of 1921-22 were the basis of the Retrenchment Committee's figure and it was in 1922-23 that two sets of extra ratio were made for the Railways by an increase in rates both in the passenger traffic and in the goods traffic; and actually I have dealt with this matter in a series of articles which I wrote in connection with the last Budget, and I have also given a copy of these articles to be printed with a view to its being made available to the Members of this House. And I have shown there that practically $12\frac{1}{4}$ crores was the extra revenue that was got by these additional rates imposed in 1922-23 in the beginning of that year. Therefore in calculating this percentage practically the $12\frac{1}{4}$ crores will have to be taken out of the Budget and the percentage expected to be calculated according to the Retrenchment Committee will be based therefore on not 99 or 98 crores that are expected now to be realised, but practically upon 86 crores, in which case there will be no money available at all to come in as extra profit over and above the payment of interest charges. Therefore this 5.46 that is there given does not really represent what the Retrenchment Committee recommended. In fact, they referred to the $10\frac{1}{4}$ crores which was the basis of the Meston Award to the contribution by the provinces; but there they say that this $10\frac{1}{4}$ crores if not available might at least be brought to $8\frac{1}{2}$ crores which will be worked out if $5\frac{1}{2}$ per cent. of profits is earned on the capital at charge, so that what the Retrenchment Committee says is that according to the rates adopted on that date they should so work that actually about 5.5 per cent. will be the rate of interest allowed on the capital at charge and that would get about Rs. $8\frac{1}{2}$ crores after meeting all the expenses inclusive of interest charge, sinking fund, etc. That will therefore mean that if these $12\frac{1}{4}$ crores extra revenue got by the extra taxation is cut off, we have really no interest which could be taken. I want also in this connection to note that the Assam-Bengal Railway now works at a deficit of 1.9 per cent. on the capital invested; the Bengal-Nagpur Railway which worked in 1923-24 at a deficit of — 10 per cent. now works in 1925 at — 1.35

per cent.; the Eastern Bengal Railway worked at a deficit of —50, the strategic lines work at a deficit of —5·9 per cent. rate and the Rohilkhand and Kumaon Railways also works at a deficit of —13, in spite of the present rates that are charged. If the income derived from these extra rates are taken away, all these Railways will be working at a much greater loss of interest on the capital. Only a few lines work at a profit; and even there the Madras and Southern Mahratta Railway which was working at 3·4 net profit according to the Administration Report will work in the future year only at 1·57 per cent. and the Burma Railways also work at a less rate of interest. My real point is that all this will show that it is no matter for congratulation at all. There has not been really any effect given to the Retrenchment Committee's proposals. Now, in the article that I referred to and copies of which I have given to the Legislative Department for being printed, I have shown, taking paragraph by paragraph of the Retrenchment Committee's Report, that they expect to cut about Rs. 13½ crores in the working expenses of Railways which at the beginning of 1922-23 was taken to be at 68 crores for an income of about 92 crores; they expected that 68 crores to be cut down by about 13 crores; but they did point out that some of those like "locomotive expenses" and "goods and wagon expenses" should be cut down only so long as much money was not available and in cases of lines working at a loss and they may later on be added to the expenditure; that portion of it comes to about 3 crores or so; so that actually they expected from 9 to 10 crores to be reduced in the matter of fuel, in the matter of extra staff, in the matter of running expenses, in the matter of locomotive renewals and repairs and also general maintenance. They give the whole thing and I have examined in detail and shown that they expect at least about 10 crores of recurring revenue to be cut down. But what happens? Of course the Retrenchment Committee reported only about the beginning of 1923-24, and the whole of 1923-24 and 1924-25 have practically passed. What have you now? In fact in 1923-24 the members of the Retrenchment Committee asked the department only to cut down expenditure from 68 to 64 crores, and the only two items they took into consideration in reducing that 4½ crores are programme revenue—3½ crores and fuel—1 crore; the rest of their cuts which they expected to be done by the Department they did not take into consideration in fixing the budget figure for 1923-24 at 64 crores; so that they expected 10 crores to be cut down out of this 64 crores in all the details that I have pointed out. But what have we now? In fact, from 64 crores which they gave only one item has been reduced; except that in the programme revenue expenditure for which they provided 9 crores we have spent only 7·25 in 1923-24 and 8·25 in 1924-25. Under all other heads, except fuel under which because of a revision of contract we have got about 50 lakhs less by arrangement with the companies, we have not had any real saving as was recommended by the Retrenchment Committee. Of course I have given detailed motions for consideration of all these points; and as they will come up later I do not propose to take up the time of the Assembly now.

I now come to the next point of the depreciation fund. My friend, Sir Purshotamdas Thakurdas, referred to the Honourable Finance Member's speech last year with respect to the allocation of the loss in Stores. I also have pointed that out and have given in motions for cuts in connection with such allocation of loss under stores. Apart from that another point that was suggested by the Honourable Finance Member appeared at page 222 of his report and therein he showed that by the revision of regulations relating to charges to capital and revenue about 1·15 crores will be debited

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to capital and absolutely taken off from revenue. I do not see that any effect is given to this. Actually by the revision of the regulations it must be that revenue must be charged 1·15 crores less in 1924-25 and capital should be charged more; and these revisions of the regulations were quite necessary in view of all the considerations put forward by the Retrenchment Committee; otherwise in fact by nominally calling it Additions and Improvements much more is charged to revenue every year and much less to capital; that ought not to be and the allocation was expected, as it was suggested by the Honourable Finance Member last year; but yet I do not find that the rules relating to depreciation are so given effect to in the Budget itself. I would like to have further information on that. Then the real point, as I have already mentioned, relates to the working expenses of each of these railways. These railways are really working at a loss, and they ought not to be provided with as much expenditure as has been proposed in the Budget if the proposals of the Retrenchment Committee are to be accepted. This Committee consisted of experts and Government said that they have accepted their recommendations and given effect to them in regard to the several departments. In regard to the Railway Department, Government have not said a word objecting to the report, Government have stated that the recommendations of that Committee have been accepted by them. Therefore, I submit, Sir, that adequate attention must be paid to improve the expenditure under each of the heads with respect to each railway in view of the fact that some railways are working at a loss while others are working at a profit. In the case of those that work at a profit, attempt should be made to work them much more efficiently and economically, and in the case of those that work at a loss, a strong attempt should be made to cut down the expenditure, because, if some of these railways are working at a loss it is not because there is not enough income, but because their expenditure is somewhat abnormal; and even if you choose to cut down a small portion of your present expenditure, there will not only be a profit, but you will be able to spare a few crores without really affecting the efficiency of each railway. In fact, I can show that with similar expenditure other railways are working most efficiently, but some of the railways spend so recklessly that it is high time that steps should be taken to see that they curtail their expenditure, so that in course of time we may see that they are not a burden on the tax-payer but that they earn something for the tax-payer.

The next point I want to submit, Sir, is about the reduction of passenger fares. I think we are really becoming an Assembly of oligarchs. We want to do very little for the poor man, and so long as we have enough money we will like to hoard it and we will not think of giving some relief to the poor man merely because we may come to grief after some years. That seems to be the position, Sir, in regard to the reduction of third class railway fares. Now what is the real fact, Sir? We have got this year about 5½ crores given to the general revenues. We have put about 4 and odd crores by our present arrangement under the head of reserves. We have put about 2 and odd crores under the head of balance of depreciation fund. Then the Honourable the Commerce Member says "Have these 4 crores this year, and you will get at least on the calculations made by them another 3½ crores which is budgeted for next year." Now in spite of the 3½ crores extra expenditure budgeted for next year, the Honourable the Commerce Member says we will get 5½ crores for the general revenues and about 3 and odd crores for reserves, and in all 7 crores and odd will be in the reserve fund if things continue normal. If they don't continue

normal, or if we don't get any profit at all, the Honourable Member says in that case all these crores must be reserved for paying the quota to the general revenues. He thinks of some abnormal conditions the year after next. I ask, suppose you budget for 100 crores and you actually earn not the 100 crores, but only 90 or 85 crores. But then you budget for an expenditure of 65 crores and the expenditure will also correspondingly decrease. This has not been taken into consideration. Then what about the reduction in expenditure for a corresponding decrease in income? Therefore, if there is a reduction in income, there should be a reduction in expenditure. Therefore, I ask why should not a reduction be made in these 7 and odd crores, which will be available by the end of next year if normal conditions prevail, and relief be given to the third class passenger by cutting down at least half a pie. I think you can so reduce the fares as to have a saving of about 2 crores without really affecting our reserves very much. But that reduction should be made immediately. Please do not allow the tax-payer to suffer longer when you have plenty. We are setting aside about 7 crores practically, and I certainly think you can give some substantial relief to the poor third class passenger.

The next argument is that if the third class fares are reduced, the coaches that are available to cope with third class passengers may not be sufficient. I really do not think that there is any force in that argument. I find that ever since the Retrenchment Committee reported, the passenger traffic had not risen enormously. Between 1913-14 and 1921-22, it had risen by 21 per cent., while the coaching stock had risen by only 11 per cent. They took into consideration the coaches available in 1921 and 1922, and the Committee pointed out that the increase in the number of coaches had not been commensurate with the increase in the third class passenger traffic. But since then considerable attention has been paid to this matter, and I find from the last year's Administration Report that the coaches have increased considerably, and in the present year, as Mr. Sim was good enough to tell us, they are not only constructing more coaches but they are making special arrangements to cope with the increase of third class traffic. The Honourable the Commerce Member has himself pointed out in his speech that the rate of increase in the third class passenger traffic subsequent to the increase in rates has been much less than it was before the rate was increased. Number of coaches are sufficient to cope with any extra passenger traffic. But I submit that for the sake of getting more coaches, you should not tax the third class passengers any more. This is a very strong point, Sir, and I hope that before we close, the Honourable the Commerce Member will be able to announce that he will be able immediately to give effect to reductions in the third class fares. If this is not done, I do not think that all the changes which have been effected in the Budget will be deemed to have borne much fruit. There are some other points, Sir, which I should like to mention, but I reserve them for discussion at a later stage.

Mr. E. F. Sykes (Bombay: European): Sir, after devoting the greater part of the September session to the subject, the House may have thought that the question of the separation of railway finance from the general finance of the country was out of the way. I propose to devote, Sir, the whole of the time you are willing to allow me to an attempt to show that this is not the case.

The Acworth Committee's Report is the basis of all reform in this matter. On page 26 it says: "And the essence of this reform is contained in two things." I will not take up the time of the House in repeating

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the first thing, because the recommendations of the report in this respect have been given effect to in as thorough a manner as can be expected. But with the House's permission, I will read what the Report says on the second point;

"The emancipation of the railway management from the control of the Finance Department."

The primary function of any such department is to reduce to a minimum expenditure in order to keep at the minimum the corresponding taxation. Its officials are not qualified either by training or experience to judge the essentially commercial and technical question where and when the circumstances of a railway undertaking justify bold expenditure of large sums, having regard not merely to the actual conditions of the physical machine at the moment, but to the prospects of development and the requirements of the future."

And in this matter, Sir, the Committee was unanimous. Now, I should like to discuss what has been done in this matter. And here I may disappoint some of my friends. I wish to exclude any personalities from the matter because I don't think that the debates in this House are improved by comparing the lot of Members of the Government with that of poor forgers and other such people. We know very well who the Government Members are. We know that they are after all men of rather more than usual ability, that they are men of just as much conscience as the rest of us. They have their little bias towards the interest of their departments and their services, in the same way as we have our bias towards our community, Khalsa, Khilafat or undivided family, whatever we happen to belong to. And further, if it were only a question of impeaching the individuals, the matter would be easy. But in this case it is not a case of individuals at all. We have to deal with much more subtle matters, we have to deal with historic causes, secular effects and inveterate habits. Now, I don't wish to drag the House over a lot of history but the House will remember the development of the Finance Department in the United Kingdom. How originally, the office of the Lord High Treasurer went into commission. Later the First Lord of the Treasury became Prime Minister, and in our own times we saw a prospect of the Chancellor of the Exchequer replacing him. Now similar causes will produce similar effects, under similar conditions. The development in India has been otherwise and it is quite possible that one of the reasons may be that to our own great advantage we frequently import eminent Englishmen to look after our financial affairs. Even though the explanation may be faulty, the facts are undeniable. In this country, instead of going upwards as in England, the influence of the Finance Department has spread laterally. In the terminology of the September session, the policy has been that of the Wooden Horse, not of the nursery but of the true Trojan variety. And I think I cannot describe its working better than by quoting the words of the Financial Commissioner of Railways:

"The real point, which I am sure members of the sub-committee will recognise, is that financial control is much more detailed, more immediately effective, and more authoritative if exercised from within than from without."

As a result of this policy we find that members of the Finance Department occupy strong positions in the Army Department, the Department of Industries and Labour, the Tariff Board, and now in the Railway Board. Early in the history of the Board another member of the Department was successively a Member and later President of the Board. So this is by no means a new development. I am well aware that the Acworth Com-

mittee themselves recommended the appointment of a Financial Commissioner, but let me quote the Committee's description of his functions:

"The Financial Commissioner will be second in command to the Chief Commissioner at headquarters."

The Committee do not say specifically that he should be a railway man. Perhaps, if Sir Purshotamdas were present, he would tell us what the Committee had in their minds, but it is hard to see how the second in command could be a man of other type than that of his Chief; and in any case the committee intended that he should be strictly subordinate to the Chief Commissioner, for on the next page they say:

"The responsibility—under the Member of Council—for arriving at decisions on technical questions or for advising the Member on matters of railway policy should be vested in one man and in one man alone."

Of course, I may expect a reply to this: "Ah! yes: on technical matters, but naturally on technical matters only and not on financial matters: these should be dealt with by financial experts". At this point, Sir, I would like to make a serious protest. As a matter of association many of us have acquired a great dislike if not to the words finance and financial, at least to the significance that is generally attached to them. But in railway matters I protest as loudly as I possibly can that to attempt to divide the work of the Railway Board into two branches, technical and financial, is to ignore the true nature of the business. The business of the Railway Board is the efficient production and profitable sale of transportation, and from the very lowest grades the question of cost, of profit is the constant care of every railway servant. The selection of means is solely governed by the main ends—efficient production—profitable sale: and there is no single question in which these two ends are not inextricably entwined.

However, let us turn to the functions of the Financial Commissioner as exercised at present. Here we are on safe ground: for we have a full account of them by himself. Take the first function—I am reading from his own note:

"As a member of the Board the Financial Commissioner is able to acquire a knowledge of the technical problems involved in the working of Railways which he could not acquire in any other capacity, and which he must have if he is to exercise financial control effectively."

Well, Sir, we are all learning, all of us, always, and I would hardly be pedantic enough to say that an arrangement of this kind would not be suitable if it occurred at considerable intervals. But what are the facts? The office is perhaps eighteen months old and we are already in its third incumbency. And further we are in the unfortunate position that the more able the individual who occupies the post, the more we obtain the services of distinguished officers like the present incumbent, the more likely we are to lose them by their promotion to greater eminence.

Now, Sir, the other important function which the Financial Commissioner has by his own account is one of censorship. I may read again:

"No proposals involving expenditure, or affecting railway revenues, can be adopted until he has accepted them. This applies equally to small matters, such as the grant of an allowance to an employé or the addition of a clerk to an office, and to the large projects involving the expenditure of many lakhs."

Paraphrasing I may observe that these are evidently the views of the Finance Department because we are constantly assured by the Commerce

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Department at question time that small matters are left to the discretion of the Agents. Now, further on, he says:

"If on any question his views do not coincide with those of the Chief Commissioner, or of the Railway Department, he has the right to refer it to the Finance Member."

"He has also the right of free access to the Finance Member, and so can, and does, refer to him all matters of an equivalent importance to those which would be referred to him by the Finance Secretary."

So the House will observe that, although the occupant of the post may still be acquiring the knowledge which is necessary for him to perform his functions if he disagrees on any question with the officer who was intended by the Acworth Commission to be sole adviser of the Member, or is turned down on appeal by the Commerce Member, he has a right to refer to a third party—not one whose whole life has been spent in mastering the intricacies of the Railway Act—but to the Finance Member. I do not think it can be said that these powers are reserved powers to be infrequently exercised because we find that the Financial Commissioner proposes to do a great deal more than was formerly done by the Finance Department when cases were referred to them from the Railway Department. He says:

"The Railway Board has extensive powers, some of them statutory, in matters involving expenditure. For example they can without reference to the Finance Department sanction scheme costing from 18 to 20 lakhs; and in the aggregate such projects amount to a very considerable portion of their expenditure. As a member of the Railway Board, the Financial Commissioner can, and does 'vet' all such proposals; and if he does not accept them he has (which he would not have under any other system) exactly the same powers as in dealing with proposals to which the concurrence of the Finance Department used to be obtained."

Now, Sir, it is unfortunately one of the greatest difficulties of this House that for want of association with the work of administration, a want which we hope will soon be removed, many Members of it have very little idea of the principles and methods of departmental procedure. The House must therefore accept my assurance that this procedure is not a new procedure at all. It is merely a piece of standard mechanism transplanted into the Railway Board. This combination of the role of subordinate and critic will be found right down into the primary departmental units. Now, Sir, we know very well that if we are going to be entirely logical, we will produce very little effect. We are quite prepared to see many systems that are apparently reprehensible and illogical open to surprisingly little objection in actual practice. But I think I shall ask the House to associate itself with the view that the functions of the Financial Commissioner are not only inconsistent with the recommendations of the Acworth Committee but are incompatible with the prompt and decisive action requisite for the proper transaction of railway business.

Now, Sir, for the constructive proposals. What are we going to do about it? It is often said, sometimes querulously, that this House has no real power. I am glad to say that I do not believe it. I do not think that it is believed on the Government benches. I know many friends of mine who would resign their seats at once if they believed it. Look at the action taken on the Acworth Committee Report itself. Has not the House forced the Government to accept one of the recommendations of the Committee; not one on which the Committee was unanimous, not one that was supported by those with the greatest experience and knowledge

of the subject? I refer to replacement of Company by State management. The House has been able to do this. Now that the House has accepted the Government's proposals for carrying out the first part of the Committee's recommendation for the reform of financial methods in connection with Railways, cannot the House insist on its carrying out the second part? Sir, I am convinced it can and ask the House to lose no time in doing so.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadian Rural): Sir, Honourable Members who have preceded me have expressed their gratification at the lucid statement of Sir Charles Innes in regard to the Railway Budget and the supplementary papers which have been placed at our disposal in this House. I join with my Honourable friends in the appreciation of the very satisfactory way in which the demands have been arranged and for the information relating to the various matters in regard to this portion of the Budget. Sir, several of us have had no misgivings at all as regards the soundness of the scheme which has been embodied in the convention under which this Budget is now presented. We have always been of opinion that this separation is bound to do a great deal of good both to our finances and also to the administration of Railways. Be that as it may, I should think, Sir, that there are many matters in regard to the general control of this House over this portion of the Budget to which I should like to invite the attention of the House. This is the first year in which the Railway portion of our Budget has been presented in the form in which it has been. The question of procedure is very important and Sir Charles Innes has asked us for suggestions for its improvement. I would therefore address myself, first of all, to the new machinery that has been set up for the examination of the Budget proposals before they are brought up into the House. Sir, the first point that I should like to bring to the notice of Honourable Members relates to the functions of the Standing Finance Committee for Railways. Sir Campbell Rhodes has expressed the hope that in future years there will not be any material change in the personnel of the Railway Advisory Committee and the Railway Finance Committee. I agree with him that violent change in the personnel of that Committee every year is undesirable. I do think that the experience gained by the members not only of the Railway Finance Committee but of the Standing Finance Committee and the Public Accounts Committee should be conserved and that radical changes from year to year in the personnel of the Committee would not be to the public advantage. I know that work in these Committees is of a taxing nature, but many Honourable Members who are associated with these Committees gain an insight into the working of these large spending departments of Government. The question therefore arises for consideration whether our present method of electing these Committees should not be changed. The Honourable Sir Charles Innes said to-day that in addressing the House his position was more like that of a Chairman of the Board of Directors. To take this analogy a little further, I would suggest that these Committees should be elected for three years with a system of retirement of one-third of the members every year. In that way, Sir, we might secure continuity of work in the Standing Finance Committee. I trust, Sir, that the question of utilising the services of members who have been in these three important Committees, namely, the Standing Finance Committee, the Standing Finance Committee for Railways, and the Public Accounts Committee will receive the serious attention not only of Honourable Members on this side but also on the

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Treasury Benches. The rules will have to be altered in such a way as to permit elections for these Committees being made for three years, with a system of retirement of one-third of the number every year.

The next point in regard to the question of control is the power of reappropriation which under the existing practice seems to be quite unlimited. I might perhaps illustrate the position in this way. Under the existing rules I believe the Department concerned has unlimited powers of reappropriating the revenues which are voted in this House from one head to another provided they are under the same demand. If Honourable Members will turn to page 12 of the Demands for Grants they will notice that a sum of Rs. 42,61,47,000 is voted under Demand No. 5, Railways—Revenue. I take it, Sir, that under this head it would be open to the Department to transfer from "Ways and Works" to "Rolling Stock" or to "Miscellaneous" or to "Fuel" or to "Staff" or "Stores" provided the total expenditure is within the grant of Rs. 42,61,47,000. I do not know whether I am right, but I should like to know whether under existing rules, the Department claims to have absolute power of transferring funds shown here from one head to another provided the total does not exceed the figure shown at the top of this page, namely, Rs. 42,61,47,000. Sir, if I am right I feel that this is a very, very large power which the Department now enjoys. Then, let us take another head, Demand No. 11, "Miscellaneous". Honourable Members will find that the total demand under this head is Rs. 6,65,000. If they will turn to details they will find that a number of committees have been appointed or proposed to be appointed. The details will be found at page 33 of the Demand. We have a Committee to investigate the stores balances of the East Indian Railway, a Committee in connection with the standardisation of locomotives, the Indian Coal Committee, a Committee for standardisation of wagons and coaches, a Committee for standardisation of permanent way, miscellaneous special establishment required for investigation and solution of problems affecting the working of Railways as a whole—which costs Rs. 2 lakhs during the coming year. I should like the Honourable Member in charge of Railways to say whether he claims that within the grant the Department is at liberty to appoint any Committee it likes without reference to the Standing Finance Committee. I should think that that again is certainly a very wide power. I therefore think that the present powers of reappropriation should be carefully examined. The Standing Finance Committee should have before it all proposals over a certain amount when reappropriation from one head to another is attempted and it should have a considerable voice in the direction of exercising supervision, control and vigilance in regard to all proposals for expenditure. I may again illustrate the position in regard to another matter and that is the railway contracts. We heard a great deal within the last two or three years about coal contracts. We also heard a good deal about another matter; that is the contract relating to sleepers on the North Western Railway. I feel that another direction in which the functions of the Standing Finance Committee may be usefully enlarged is that certain classes of contracts, whether they are entered into by the Agents of Railways or by the central administration here, should invariably go for scrutiny and criticism before this Standing Finance Committee. I might perhaps point out that in other countries, such as Australia, contracts over a certain amount are placed before the Minister by the Commissioner of Railways

and his approval is obtained. I therefore think that the functions of this Committee should be enlarged and that the Committee should be made a really effective instrument of criticism and check in regard to all matters appertaining to railway administration. I would also suggest that all new appointments that are created either by the Agents of Railways within their powers or by the Central Administration should also come before the Standing Finance Committee.

I come to a different topic but more or less connected with this subject. I should like to know what the exact financial and administrative powers of Agents of Railways now are. More than one question has been tabled in this House on this matter, but I have not been able to elicit the information. From the remarks that Mr. Sim made some time ago in this House I gather that the financial and administrative powers of Agents have been so enlarged that the references to the Railway Board have been decreased by 60 per cent.

Mr. G. G. Sim: Under one head—Establishment.

Diwan Bahadur M. Ramachandra Rao: If it is so, I should like to know what the new financial and administrative powers of the Agents are. It seems to me that, if the financial control of this House is to be effective, we should know much more of these powers and that certain limitations should be placed on these Agents. I believe it was my Honourable friend, Sir Campbell Rhodes, who stated that there is a good deal of centralisation in the Railway Board. I agree with that view, but at the same time I should think that the proper way of dealing with this question would be to lay down that the Standing Finance Committee on Railways should deal with certain classes of questions which probably the Agents have now entirely in their own hands. Looking at what has happened in regard to the contract for sleepers, it seems to me that the time has come when the financial powers of the Standing Finance Committee, the Agents and the Central Administration here should be co-ordinated and that we should have a reasonable system of control exercised on behalf of this Assembly by the Standing Finance Committee.

My Honourable friend, Mr. Sykes, made certain observations in regard to what is called treasury control. He seems to think that there should not be any control by the Financial Commissioner over the transactions of the Railway Board. I do not know whether I have understood my Honourable friend correctly, but I hope I have. I do think on behalf of the tax-payer that the Finance Department is the only Department that exercises any check over the large spending departments of the Central Administration. I cannot agree with my Honourable friend when he says that the Financial Commissioner should withdraw from the Railway Board and that the Railway Board should handle crores of public funds as they like without any check. I have not seen a more drastic suggestion than the one that has been made to-day by my Honourable friend Mr. Sykes. It may be that he is intimately acquainted with the general working of Railways, and it may be that no railway official would like to have those unlimited powers of expending public funds without any check from outside. I do not at all approve of the suggestion made by my Honourable friend, but I do think at the same time that the powers of the Financial Commissioner will have to be more correctly stated. We should know where we are in regard to the financial control exercised by the Financial Commissioner and what the exact relation should be between

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this financial control and the control of the Standing Finance Committee and the class of cases which have to be decided either by the Financial Commissioner or by the Standing Finance Committee. No Resolution has yet been adopted by this House defining the functions of the Standing Finance Committee. I am not in a hurry to do it, but I do think after gaining some experience this year the functions of the Standing Finance Committee will have to be thoroughly enlarged in the light of the observations which I have made in this connection.

There are one or two other matters which I should like to dwell upon. Several Honourable Members have referred already to various questions of railway policy. My Honourable friend, Sir Campbell Rhodes, enters a protest against the new branch line terms and my Honourable friend, Sir Purshotamdas Thakurdas, does not favour a too rapid capital expenditure on Railways and advocates that the whole question of transportation should be looked at from a different angle of vision. As suggested in the Acworth Committee's report the waterways of India have not received that attention which they deserve, and I thoroughly appreciate the remarks of my Honourable friend. I urged before the Acworth Committee that too much money has been spent on the Railways—I do not say comparatively but to the detriment of the existing waterways—and the Government of India and the Provincial Governments have entirely failed to conserve our waterways and improve them.

These and other questions, I am sure, are likely to come up in the various demands with which we have to deal. I do not think I should now trouble the House with any observations on these questions but I venture to think that there are one or two other matters which I might usefully refer to in this connection. One is the functions of the Advisory Councils in the Provinces. I have before me the rules which the Government of India have framed for the constitution of these Advisory Councils. I feel, Sir, that, notwithstanding the good intentions with which the proposal has been made by the Acworth Committee, no attempt has been made in the Provinces to utilise these Advisory Councils. A short report about these Advisory Councils is to be found in the last report on Railways for 1923-24. Very little use has been made of them and we have no information about them except that they met thrice a year, four times a year or five times a year and that they dealt with some questions placed before them. We should have fuller information on this matter. I think that the work of these Committees could be enlarged and their usefulness demonstrated much more than they have been. The Agents perhaps regard these Advisory Committees as a kind of clog on their activities but I think that this idea ought to be given up once for all and that these Advisory Committees should be used much more largely than they have been.

A good deal has been said about centralisation to-day and one of the ways in which the Acworth Committee has suggested that decentralisation could be brought about is by the grouping of railways into territorial areas and thereby reducing centralisation at headquarters. This scheme has been deliberately abandoned by the Government of India, and, when it was abandoned, it was stated that the present scheme for the constitution of the Railway Board is to be in operation for one year. A very constructive scheme has been placed before the Acworth Committee regarding the grouping of railways by the Madras Government, and I venture

to think that the time has come when that scheme should be looked into to see whether it could be adopted.

Before I bring my few remarks to a close I should like to express my gratification that after all Southern India has received some attention from the Railway Board this year. We are very pleased to know that after several years of neglect the Railway Board has really done some amount of justice in placing on their new programme some of the schemes which have been under consideration for years. I trust that they will go on in the same way and that in the near future Southern India, which I think is a veritable gold mine for railway development, will receive all the attention which it deserves in the way of railway extension. I do not wish on the present occasion to criticise the Resolution of the Government of India in regard to branch line terms, but I venture to think that the question of subsidiary transportation arrangements deserves very careful consideration from the Government and, whatever we may do for adopting a policy of bold railway development, the cognate question of developing transportation with a view to connect the country with the main line is one which deserves serious consideration. The Government of India have appointed many committees but I wonder why they did not think of examining this very important question of developing subsidiary communications in order to link them up with the main lines. I therefore think that that question deserves attention. I have nothing more to say except to thank the Government of India for the attention which they have paid to the growing needs of Southern India.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President in the Chair.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Sir, I am afraid I cannot congratulate my distinguished friend the Honourable the Railway Member on this budget. Sir, it is not a poor man's budget. It is a budget which favours the rich. The Honourable the Railway Member has shown no consideration whatever to the poor men of India. Sir, he finds excuses and very lame excuses to justify the neglect of the interests of the poor, the travelling poor. Sir, he gives figures which do not speak the whole truth.

He says:

"It will be seen that we lost not only in passengers but in earnings. That is why some railways judged it necessary to reduce first class fares."

Why first class fares? First class passengers when the fares were raised travelled perhaps second, and second class passengers travelled perhaps third or inter; but the third class passengers, as was very rightly pointed out the other day by an Honourable friend, could not travel fourth. Sir, the third class passengers have not got the conveniences and the facilities that you give to the first and second class passengers, even though most of the revenue is derived from the third class passengers. Sir, you give the first and second class passengers return fare tickets, you give them other concessions and conveniences, but you do not give even return tickets

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at a fare and a half to third class passengers. You ignore their complaints altogether. We are told that the earnings have increased so far as the third class passengers are concerned. That is all the more reason why you should attend to the grievances, the legitimate grievances, of the third class passengers. That is no reason why you should not reduce the travelling fare of third class passengers. We are told that if we reduce fares we will not have sufficient carriages and many new carriages will have to be constructed as traffic will increase. Why not construct them? What have you been doing all these years? On the other hand we are told that they are constructing new coaches for first and second class passengers, and why? Why are they going to construct new coaches for first and second class passengers at all? Only because they are going to reduce the travelling fares of first and second class passengers and consequently they expect more first and second class passengers. I think the proper thing for you to do will be to build many more coaches than you contemplate for third class passengers and thus meet the increase of traffic and give increased facilities to third class passengers who are invariably packed to choking in their compartments. Sir, the Honourable the Railway Member does not meet the situation. I thought he would have done so especially because he has lived in India so many years and is perhaps nearing the end of his successful official career. I thought on the eve of his Indian career (Inaudible interruptions.)

My friends say "a Governorship yet remains". I do hope, but whether it remains or not, Sir, I am concerned with the conclusion of his career as Railway Member here, and I thought as the Railway Department flourished mainly because of the third class passengers, he would have shown them some real consideration. I regret, Sir, that no such consideration is shown in this Budget.

There are other points which I do not want to dwell upon because I know there are other speakers who want to deal with them. But, Sir, I must make a passing reference to the question of Indianization. The Honourable the Commerce Member has placed before us some facts. He says that in the twelve months ending October, 1924, the number of Indians in the superior appointments rose from 280 to 310 and the number of Indian subordinates from 1,821 to 1,929, that is, 108 in the upper subordinate grades and 30 in the superior appointments. Sir, I do not think this is an increase for which I would congratulate the Honourable the Commerce Member. We have been asking for Indianization of the services ever since the starting of the Indian National Congress or perhaps from a still earlier date. And, Sir, I do not put it on racial grounds, for I remember the complaint of official Members when this question was raised in the other House who said that we were putting it on a racial ground. I am putting it purely on *the Indian ground* and I do not see why Indians on Indian railways should not have the chance of getting as many appointments as they can. I do not say, dismiss the present employees, but I do ask how many vacancies arose in this period of one year and how were they filled? Am I to understand that there were only 30 vacancies in the superior appointments and all the 30 have been filled by Indians? If so, then I may say that you are showing some consideration to the question of Indianization. But there is no statement as to the number of vacancies. They have given figures showing an increase of 30 superior appointments and 108 in the subordinate grade. Will they tell us how many vacancies there were and tell us how they filled them? Then

we could understand how they are facing this question that has been deeply disturbing the public mind. Our official friends say they sympathise with our aspirations for Indianization. But we do not want lip-sympathy. As my friend Mr. Jinnah said in connection with the question of establishing an Indian Sandhurst in this country, what we want is not sympathy, we want practical recognition of Indian rights. And, Sir, there is no recognition of Indian rights so far as the administration of Indian Railways goes. You know how the Indian railways are administered. The Railway Board have no Indian representative. It is a pure autocracy and nothing but an autocracy. The Railway Board represents English views, English ideas, English administration, English efficiency, everything English. Indians have no place on that Board. Indians have no voice or choice in the administration of Indian railway affairs, and if you cannot give Indians voice or choice in the administration of Indian railway affairs, I do not see how you will be prepared to give them a controlling voice in the administration of political affairs. We do not want any more sympathetic speeches on Indianization; we do not want any more sympathetic speeches on democratization of the administration. We will judge you not by shadowy or exaggerated statements but by substantial results. But on going through this Budget all that I can say is that the Honourable the Commerce Member like his other predecessors has been a slave of routine and a victim of circumstance.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I fully sympathise with the Honourable Railway Member's ambition to develop into a Chairman of a Board of Directors. I suppose he will agree that there is no analogy between the position now occupied by him and that of a Chairman of a Board of Directors presenting the annual statement of the management of Indian railways at a meeting of the shareholders. In the first place he does not owe his present position to the choice of the shareholders, nor is he removeable by a vote of the shareholders. As a matter of fact I think, as the circumstances stand at present, he can well afford to defy the shareholders if he chooses. When he can truly describe himself as Chairman of a Board of Directors presenting his annual statement before a meeting of shareholders—when that day comes we will, of course, have attained complete self-government in India. When my Honourable friend made that statement I think he was looking forward to that day when we will have *Swaraj* in this country. May I now appeal to him to help us in order to accelerate that day to which he so eagerly looks forward. (*Pandit Shamlal Nehru*: "Will he be here then?") He may, I do not say that he will not.

I think it was my Honourable friend Mr. Sykes who said that we have not yet got a complete separation of railway finance from general finance, and my Honourable friend, Sir Campbell Rhodes, said that further devolution of power was necessary from the Railway Board to the Agents in order to make the present system workable, in order that he might put up with what he described to be the evil into which Sir William Acworth has plunged him, that is to say, State management. I have no doubt that the ideal which my Honourable friend, the Commerce Member, has before him is to have a completely independent State organism in the Railways, which will not be considered to be a Department of Government at all. I believe that is the ideal which my Honourable friend, Sir Campbell Rhodes, also has in view. Now let us turn to the recommendation of the

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Acworth Committee, and let us see what they intended this new system to be. This is what they say in paragraph 127 of their Report:

"We assume that in future the Railway Commission will be responsible for its own administration and, within the limits of its Budget, as approved by the Government of India and the Secretary of State and accepted by the Legislative Assembly, will carry it into effect; that, in a word, though remaining an integral part of the Government machine and subject to control on broad questions of policy and on the major questions of finance on which that policy must depend, it will be an independent administration."

The Acworth Committee contemplated that the Secretary of State would loosen his control over the Railway Department, and further that the Government of India in the Finance Department will cease to exercise that detailed control that it has hitherto exercised over the Railway Department. The meaning which the Acworth Committee had in mind in making this recommendation has been further made clear in a Report on the Austrian State Railways which Sir William Acworth has presented to the League of Nations. Here again he was recommending the complete separation of railway finance from the general finances of Austria, and this is what he says:

"I have assumed that the railway budget will really be that of a separate and semi-independent undertaking, and have pointed out that Parliament and the Ministry have come under an obligation to refrain from interference in administrative matters, and to restrict their control to questions of broad policy and weighty matters of finance. I have stressed the point that the new law has entirely changed the relation between the Finance Minister and the State Railways. Hitherto he has been the superior officer. In future he becomes a watch-dog."

Then Sir William Acworth points out that the business of the watch-dog is to bark and not to bite. So I think Sir Basil Blackett will now cease to bite Sir Charles Innes and will henceforth merely bark at him; and as part of the understanding I believe Sir Charles Innes has agreed to Mr. Sim coming into his parlour to do the barking on behalf of Sir Basil Blackett. Now Sir William Acworth goes on to observe:

"So far as the Railway Budget, when submitted to the Cabinet for general approval, deals with proposals for capital expenditure, his opinion will doubtless have great weight, but once the Budget is passed by Parliament he will not be required to sanction expenditure within the estimates; his function will be solely to watch and see that the expenditure and receipts are keeping pace with one another; and in case of unforeseen emergency, to collaborate with the railway undertaking as to the method for dealing with it."

So, Sir, I do not think Mr. Sykes need have any apprehension on the ground that the financial control will be so very exacting as to make a failure of the present scheme of the separation of railway finance from general finance. My Honourable friend, Sir Campbell Rhodes, pleaded for an effective and large delegation of authority in favour of Agents. I am perfectly aware that that was one of the recommendations made by the Acworth Committee, and let us see what the latest Report on the Administration of Indian Railways has got to say with regard to it. At page 9 of the Report for 1923-24 we find it stated:

"The responsibility which would, under these proposals, devolve upon the Railway Board of securing a definite return on the capital at charge is one that must obviously determine the powers to be conferred upon the Railway Board in order to enable it to carry out that responsibility; and the Railway Board in turn, being then able to apply the same principle to every separate administration and to require the various constituent parts of the whole railway system to contribute its fair share by working to a definite standard, must make a corresponding delegation of powers and freedom to the Agents of the railways to enable them to discharge respective responsibilities."

There has been a beginning made in the delegation of authority from the Railway Board to Agents, and my fear is that this process of delegation may proceed to a far greater extent than would be desirable in the interests of the Indian taxpayer. I am afraid that if my Honourable friend, Sir Charles Innes, were to give effect to the demands made by my Honourable friend, Sir Campbell Rhodes, and my Honourable friend, Mr. Sykes, then a day might come when we might say that we have leased out the Railways to Sir Charles Innes and Co., and Sir Charles Innes and Co. have farmed out the different railways to the different Agents. That certainly will be a contingency to be strongly resented by the representatives of the Indian taxpayer in this House. I find, Sir, that the Indian point of view on the question of centralization *versus* decentralization in the management of the railway system differs very materially from the point of view from which this question has been approached by members of the European community in this House. The latter do not seem to see any good in control from the Central Government here over the Agents, and they would much rather leave the Agents altogether free to do what they like, than have the Railway Board interfere with the Agents even in matters of a somewhat important nature. I want this House to understand what the implication of the complete delegation of authority by the Railway Board to the Agents will be. To the extent that the Central Government delegate their powers to Agents, to that extent we in this House will be relaxing our control over railway management. (*Pandit Sham Lal Nehru*: "Have you any control at all?") Well, that is why the Railway Budget is placed before us, and that is why I suppose we would be required to vote the demands during the next few days. (*Pandit Sham Lal Nehru*: "That is only formal.") I find that the Honourable Sir Charles Innes is already anxious to establish a convention under which we in this House will impose a self-denying ordinance on ourselves and cease to make inquiries on the floor of the House in regard to the matters which he thinks should be left to the discretion of the Agents. I find that in reply to certain questions on the 2nd February last Sir Charles Innes said:

"I may say that the Railway Department consider"—(*just mark the peremptory tone of that reply*)—"I may say that the Railway Department consider that these questions should be left to the Railway Administrations, and the Legislative Assembly should not interfere in details of this kind."

Then my Honourable friend Mr. Goswami interposed saying "we think otherwise." Then Mr. Chaman Lal asked, "what are we here for if we cannot get information on these matters?" Then again the Honourable Sir Charles Innes said in reply as follows:

"The Railway Department think that the Legislative Assembly should criticise the Administration and criticise the Railway Board and they are entitled to influence the policy, but nothing can be more fatal to the efficient management of our Railways than that the Legislative Assembly should try to interfere in details of railway administration."

That is the new enunciation of policy which has been made by the Honourable Sir Charles Innes as a sequel to our acceptance of the separation of the railway finance from the general finances of the country. I think the House will agree with me that if once we were to agree to the establishment of the convention which my Honourable friend Sir Charles Innes has in mind, then we would absolutely part with whatever vestige of power we have in regard to the railway administration. That is why I stated

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that this devolution of authority may proceed too far, and it is up to this House to see that the Honourable Sir Charles Innes has not his own way in this matter.

Sir, we have heard a good deal about the analogies of other countries. I know that wherever there is State management of Railways, railway finance is altogether separate from the general finances. That is undoubtedly true. But what is the principal feature that obtains elsewhere in the railway management, and which is absent in India? We find that in every other country the management is indigenous, and in this sense when we ask for Indianization of the Railway Department, it is intimately connected with the question of railway finance. My Honourable friend Sir Charles Innes thinks otherwise. He said in his speech the other day that the question of Indianization stands apart from the question of finance. I join issue with him there. It is one of the essential features of separation of railway finance from the general finances in every other country that the management must have a community of interest with the people. That is the essential feature. Here we have entrusted the management of our Railways to people whom, without meaning any offence to anybody, I might describe as birds of passage. My Honourable friend Sir Charles Innes is presenting the Budget for 1925-26 this year, but there is no knowing whether he will be here to present the Budget for 1926-27. Well, a few years hence he will be settled in comfort in his island home, away from the influence of this House, with his pension secured by Statute; and perhaps it may be then that this House may come to realise that, as the result of the adoption of a new railway policy on his initiation, the country has suffered a severe loss. There will be no means left at our command to bring him to book for that. When I refer to the Honourable Sir Charles Innes, I do not at all intend to be personal. He serves me the purpose of an illustration merely, and this argument holds good in relation to each and every individual member of the Railway Board and the Agents and other higher officials in the various Railways in India who are all Europeans. Sir, what is the position to-day? Indian opinion was unanimously in favour of State management. The Honourable Sir Charles Innes and his community were unanimously against State management. Well, it was a great concession to the opinion of this House when the Government agreed to take over two of the principal lines whose contracts have just expired. Now, Sir, in any other country perhaps the management of the State railway lines would in these circumstances have been committed to the hands of those who believed in State management. But look at the circumstances of India. The Honourable Sir Charles Innes is frankly opposed to State management, so is every one of the railway authorities in India,—the higher European railway servants I mean, and so are the members of the non-official European community in India. This opposition to State management is also backed by powerful interests in England, yet we have entrusted the management of our Railways to men who do not believe in State management, but are positively hostile to it, and I do not know whether it is going to prove a failure. There are company-wallas installed in the Railway Board, companywallas everywhere. I therefore doubt whether we are having State management under the best auspices possible. Sir, the Railway Department of India is, I think, the largest organized industry in the whole of Asia, but it can be said without any fear of contradiction that Indians have not yet derived the fullest

benefit out of this great industry. I do not ignore the great services that the Railways have rendered to India so long. But it will have to render a far greater service yet. I think the Railway is one of the few departments left under the charge of the Central Government which maintains contact between the Central Government and the ordinary people in the interior, and as days go by and as we get a real federal system of Government in India, and as the provinces acquire real autonomy, the Central Government might appear a mere abstraction to the ordinary man in the interior. It would then be for the Railways to bring vividly to the mind of every Indian the existence of the Central Government as a beneficent administration. And although perhaps the Railway does not under the new system minister to the many wants of the Indian community, yet it will be a sort of link between the provinces and between the different races and peoples inhabiting this great continent. It is in this view, Sir, that I think that we must approach the railway question, and not merely from the business point of view of my Honourable friend Sir Campbell Rhodes. It is in this view that I have tried to approach the railway question and have made these few remarks.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I had no intention of taking part in this debate as I thought four days
 3 P.M. would be quite sufficient to give me an opportunity of ventilating the Railway grievances. But, Sir, the reference to the Chairmanship of the Honourable the Commerce Member in his speech as well as the further reference to that Chairmanship in several other speeches tempted me to speak a few words on this occasion. Sir, I assure you I do not know much about the management of companies or about the management of the Indian Railway Company. I don't know whether that Company is limited or unlimited. Its benefits to the people are limited. It is unlimited in the authority that is placed in the hands of the Honourable the Commerce Member. But, Sir, whether the Company is limited or unlimited, it is certainly autocratic. The Honourable the Commerce Member is not responsible to any people; at least he is not willing to recognise responsibility even to this House. He does not like this House to interfere with his work. Therefore, when I heard the reference to the Company, although I did not know much about the management of Companies, I became somewhat alarmed and somewhat suspicious. Sir, if the Indian Railway Company is to do good to this country it at least must be based on a sound footing. The Railway industry is a great industry but, Sir, what is going to be the object of this railway industry? Is our railway industry going to be conducted like the ordinary private Companies for profits or for the comfort and the convenience of the public in this country? That is the main question which I would like this House to solve. If we begin to conduct the affairs of the Indian Railway Company on the lines of the private commercial concerns for the profits, then certainly our policy must be condemned. The only policy which this House should adopt for the management of the Indian Railway Company is the comfort and the convenience of the public in this country. Sir, if the comfort and the convenience of the public in this country are to be secured by the management of the Indian Railway Company that Company must be put on a proper footing. I was told that the Honourable the Commerce Member is the Chairman of a Company and this House is the Board of Directors. Some people said the Central Advisory Council was the Board of Directors. But, Sir, which

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are the interests represented in this Board of Directors? I may admit for a moment that this House represents those people who have invested their money in this concern. I may admit for a moment that this House represents the customers of the Indian Railway Company. But, Sir, are the mere customers, is the mere money, sufficient to run a railway industry? Are not the seven lakhs of people who are working on the Indian Railways a necessary element for the proper working of the Indian Railway Company? Sir, should not this important element in the Indian railway industry have a proper place in the management of this industry? I therefore hope that when this House decides to set the House of the Indian Railway Department in order, they will take care to give sufficient representation to the railway employees who form a very important and necessary element in the management of the Indian Railways. Sir, the Honourable the Commerce Member referred to this occasion as an important occasion on account of the separation of railway finance. Sir, I was one of those people who approved of the idea of separation of railway finance but I did so only for the reason that it would give us better opportunities of discussing Railway questions in this House. Sir, I am frankly in favour of the State management of Indian Railways but if the State is to manage the Indian Railways the Assembly must have a proper share in the management of the Indian Railways. There is no special merit in the Railways being managed by the State if the State is not going to be responsible to the Legislature and to the people of this country. I was, therefore, glad that the separation of the railway finance will give us a great opportunity of discussing our Railway Administration at greater length than we used to do formerly. Moreover, Sir, I am also very glad that during this year the East Indian Railway Company has been taken over by the State and I hope the Great Indian Peninsula Railway will also come under State management next year. But, Sir, I would like to say one word and it is this. The Great Indian Peninsula and the East Indian Railways are not the only Railways to be taken over by the State. I hope the Government and the Legislative Assembly will insist upon every Indian railway when its contract is over being taken under the control of the State. Not only that, but I would like this House to insist that no more private companies be allowed to be formed in this country for the conduct of any railway in India. The transport industry in this country cannot be allowed to be placed in the hands of any private company. The comfort and convenience and the happiness of the people depend to a great extent upon the transport industry and that industry cannot be allowed to be placed in the hands of any private concern. I hope, therefore, the House will insist hereafter that, whenever any railways are to be built, they will not be built by any private company; they will be built by the State. Sir, I heard a great deal about the management of the Indian Railways Company being based on commercial lines. Is the present management a commercial management? Sir, if the present management had been a commercial management, would they appoint their employees on the principle of race? If there is any department of the Government of India where people obtain their appointments and jobs on account of their race, it is the Railway Department. I know, Sir, there are many people in this House who do not like a reference to this subject but we cannot avoid reference to this matter because the Railway

Department is the one Department where the principle of race plays a great part in the selection of the employees.

(At this stage Mr. Deputy President vacated the Chair which was taken by Mr. President.)

I know, Sir, Sir Charles Innes found some kind of hereditary fitness in some races for the railway jobs. I don't know whether there is any hereditary fitness among the people of any race. Unfortunately, the Railway Department does find hereditary fitness in the case of some people for all jobs on the Railways. Even the Medical Department on the Railways is manned mostly by European officers. Are there no Indian doctors in India? But, Sir, the Railways will not employ Indians. They always prefer Europeans. Is this a commercial management of your Railways?

Then, Sir, if the Railways had been managed on commercial principles the Railway Board would have taken the best care of their most paying customers. The most paying customers of the Indian Railways are the third class passengers. What attention does the Railway Board give to the comforts of the third class passengers? On the contrary, they pay their sole attention, I may say, to the comforts of the first and second class passengers. Even this year, when the first and second class traffic is going down, according to the statement of the Honourable the Commerce Member, he is adding to the first and second class coaches and when it comes to the question of adding to the third class coaches he says that he cannot build more because they cannot be built in their workshops. But, Sir, the Indian Railways have been in existence for over 50 years. Could you not build sufficient workshops in the country in order to have your own carriages and coaches built in this country? Every concern which is conducted on commercial lines will take care to procure the necessary equipment. Not only that. Every great industry takes care to build the subsidiary industries. If you wanted to run your Railways on commercial lines, you ought to have brought into existence the railway industries such as the industry of building coaches. Why did you not do this during these so many years? Sir, you will find that our railway industry is not run on a commercial basis. We were also told that we must look to the efficiency of management. Sir Purshotamdas Thakurdas has already exposed the efficiency of the railway management. You are making profits simply because you have a great monopoly. There are no other companies to compete with you. You can fix any rates you like. You have fixed the highest rates for the third class passengers, who are the greatest number of your customers.

Khan Bahadur W. M. Hussanally (Sind: Muhammadan Rural): So also for the higher classes.

Mr. N. M. Joshi: Sir, the rates for the higher classes have been reduced. Sir Charles Innes explained to us that the principle on which he reduced those rates was what the traffic will bear. Supposing the first and second class passengers cannot pay the cost of their travelling and that the cost of their travelling is so high that the traffic cannot bear it. The only thing that a good commercial man will do is to stop that traffic altogether. If second class and first class passengers are not willing to pay the cost of their travelling, a good commercial man will stop that traffic. He will say, "You want to travel first and second class; you

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are not willing to pay; I cannot give you the kind of accommodation you want". But, Sir, that principle has never found a place in Sir Charles Innes' book.

The Honourable Sir Charles Innes: Nor on any railway in the world, Sir.

Mr. N. M. Joshi: Sir, it is no comfort to the people of this country that all over the world the rich men exploit the poor people.

Sir, I only wish to say one word as to the form of the Budget. The present Budget gives a greater number of details than was given previously. But I would like the Honourable the Commerce Member to present his Budget in a way that his shareholders and his customers would understand very clearly. I do not say that all the Members of the Assembly do not understand the whole of the Budget. But I am one of the few Members who do not understand everything in this Budget and I feel, Sir, there will be many shareholders of this company, there will be many customers of this company, who cannot understand the whole Budget. I would, therefore, request the Honourable the Commerce Member to present his Budget in such a form that all the people in the country may understand it. Let the Budget contain full explanations, so that every one in the country will understand why you are making the demands which you are placing before this Assembly. I will give you one or two instances. Sir Charles Innes is asking for a certain number of wagons. But I do not find in the Budget or in the report of the Standing Finance Committee why these wagons are necessary. Has your traffic increased to such an extent that you want more wagons? If Sir Charles Innes had given us some figures stating what the wagons of the Indians Railways used to carry, say two years or five years back or 10 years back, and what they are expected to carry to-day, I could have understood that there was a need for 3,800 wagons for which he is making provision. Then, Sir, I would like Sir Charles Innes, if he wants to convince this House and the country that his management is efficient, to give some comparative figures from other countries. I have heard it several times stated that the great trouble with the Indian Railways is the want of proper distribution of their wagons, or that the wagons do not give you the same work which the wagons in other countries give. Sir, I do not know how far this statement is true, but I would like Sir Charles Innes to prove to this House whether his management is efficient or not by placing before this House comparative figures from other countries.

Sir, I do not wish to speak more on this subject. As I have said, there are many opportunities before us during this week of speaking, but I would like to say to this House only one word. Although we may desire to place our Railways on a commercial basis, let us not make a great profit out of this concern. Let the object of securing the comfort and the convenience of the people of this country be our sole aim in the management of our Railways.

Mr. Jamnadas M. Mehta (Bombay Northern Division: Non-Muhamadan Rural): Sir, I offer my sincere congratulations to the Honourable Sir Charles Innes and his colleagues on the very lucid and illuminating statements which they have presented to this House. Sir, the separation of railway finance from the general finances of the country is a landmark in the history of railway administration in this country and I venture to believe that if that separation is honestly followed up on both sides, by the

Assembly as well as by the Government, it will very soon become the Magna Charta of the Indian Railways. Sir, there is no doubt that we have had to work in the Railway Standing Finance Committee under great pressure. Papers were thrown at us in such rapid succession that before we had finished with one pile of papers, two more came in and altogether we got more than we had bargained for. All the same, I wish for more and more of that. I hope that we will have more frequent meetings of the Railway Standing Finance Committee independently of the meetings of the Legislature, if necessary, and not necessarily in Delhi or Simla but wherever the Members of the Railway Board and the Honourable the Commerce Member consider necessary. (*A Voice*: "Bombay?") Not necessarily Bombay. It may be in Madras.

Sir, reference has been made by so many Honourable Members to the analogy of the Railway Member being the Chairman of the Board of Directors and speaking in that capacity while making his budget statement. No doubt, Sir, that is the ideal at which we all aim, that is the ideal recommended by the Acworth Committee; at the same time I must remind the Honourable Sir Charles Innes that before he aspires really to become what he ought to be, namely, the Chairman of the Board of Directors, he must not forget the Secretary of State for India. He is at the present time counting without his host—the Secretary of State who is still controlling his destiny and the destinies of the Indian Railway Administration. And unless the Railway Administration is liberated from the trammels of the Secretary of State, this so-called chairmanship will not materialise and this House will not become a board of directors or a body of shareholders. Therefore, it behoves Government immediately to take action in the matter of liberating the Railway Board, the Railway Administration and the railway policies from that great functionary, the Secretary of State. That was recommended by the Acworth Committee nearly 3½ years ago and I do not understand why no substantial steps have so far been taken in that matter. That ought to be the immediate thing. In fact, your commercialisation will not become an accomplished fact unless the Railway Board has become an independent entity subject to the control of this House only and to nobody else's.

Sir, I think my Honourable friend, Sir Campbell Rhodes, referred to the New South Wales Railway Commission in his speech. There they had recently an inquiry similar to the one we had some years ago. The commission's recommendations are practically the same as we have had from the Acworth Committee. The Commissioners there recommend complete separation of the Railway finance from the General finances of the country; they say that the Railway Board should be a wholly independent entity, with statutory investment in them of the railway administration and also the powers to raise loans independently of the Government subject, of course, to statutory control. Sir, we must get to that position here, but how can we have that unless and until we have first of all got rid of the Secretary of State's control? Therefore, I urge that the first step that will lead to real commercialisation should be that the Railway Board must be the mistress of its own house. To-day it is not, and until it attains to that position I do not think that the Railway member will become the chairman of the Board and the separation of railway finance will not lead us much further towards commercialisation.

Then, Sir, a great deal has been said about the independence of the Agent. I think it is no use quarrelling over how much power he must have and how much he must not have. The ideal has been laid down

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very clearly and properly by the Acworth Committee. I think it is impossible for this House to exercise any meticulous control over the Agent if real commercialisation is to materialise—it is impossible much as we should like it. We should devise other means to have the Agents working properly in the manner we want, but for this House in open session to deal with petty matters of detail in individual railway administrations would become impossible. At the same time the Acworth Committee have clearly indicated that in large matters of policy and finance this House must remain the master and I think that is a clear line of demarcation as wise as it is necessary. We must stop at that and for any further control of the Agents we must have the Standing Railway Finance Committee, the various Railway Advisory Councils and any other machinery that we think proper to devise; but for this House to go into details would reduce the whole thing to an absurdity and delay the consideration of more vital problems.

I now come to the form of the Budget. Although we have got ample material I must say that in the form in which it is presented it has not been possible for us to appreciate at their true value the results of the working of individual railways. We do not know whether a particular line has become a drag on the whole Railway Administration, whether the profits of one line are being really utilised by another; but as the Honourable Sir Charles Innes has said that the form in which the present Budget is presented is not necessarily final and that the whole question is still open, I will not dwell upon it at length. It would be worth while later on in the course of the year to consider whether it is not possible for us to devise some different method whereby each individual railway administration could come under a proper searchlight and we could have a much closer scrutiny of their working and financial results. You will find that except in the case of the Bombay, Baroda and Central India Railway, the Burma Railway, the East Indian Railway, the Madras and Southern Mahratta Railway and the South Indian Railway, it is doubtful whether any other railway at all brings to us the $5\frac{1}{2}$ per cent. which the Inchcape Committee recommended. In fact they do not. These are the only five railways which pay, others do not pay their percentage and therefore it is clear that the ideal which has been laid before us by the Inchcape Committee of a $5\frac{1}{2}$ per cent. return is not being realised in the large majority of railway administrations. It is therefore absolutely necessary that these railways should come under a closer scrutiny of this House and that can only be done if the demands for grants are presented in a somewhat different fashion than they are here. Here the demands for all the railways are lumped together although separate books give us ample material to find out which administration is not paying. That, Sir, is my suggestion as regards the form in which the demands should be put forward.

Then, the other day the Honourable the Finance Member warned us against making a raid on the sinking fund. I would inform the House of the numerous raids on revenue which the Railway Department is making and then it will appear how extraordinarily extravagant and wasteful the administration still continues and how extremely burdensome, almost ruinous, are the rates and fares which we have to pay. I am afraid the recommendations of the Inchcape Committee and the caution given by the Acworth Committee are already forgotten by the Railway Board and they

have begun to feel no necessity for either economy or retrenchment. I am afraid also that this Assembly itself is inspired by a spirit of "grab" in getting Rs. 6 crores and 30 lakhs from the Railway Department. In New South Wales, to which I have referred, what is it that the general revenues get from the railway administration? Nothing. Here the House insisted on getting first 1 per cent., then in addition one-fifth of the surplus profits and then again one-third of the reserves over 3 crores. I think no usurer ever exacted more from his victim than this Assembly has in a spirit of grab, though it has forgotten that in doing so it is only penalising the traveller and the trader. Much lip sympathy was paid to the desirability of cheap transport. Many said that it was wrong to tax transport, that a tax on transport was vicious, and yet the Assembly forgot that they could not get these 6 crores and 40 lakhs this year and 7 crores and 38 lakhs next year unless the railway administrations continued to levy the higher fares and rates. That is not commercialisation. In New South Wales the railways and tramways are "so worked and managed that the gross receipts shall not be more than sufficient to cover the working expenses, reserves and interest on capital including sinking funds"; in the event of any surplus it is devoted to the reduction of rates and fares, and in case of a deficit rates and fares are increased. So that according to the latest authoritative view these 6 crores and 40 lakhs should have been used entirely and exclusively for the reduction of rates and fares; we, however, make a gift of them to the general revenue. This, however, is not the only burden which the Railway revenues bear. We are constructing new lines and we are having huge capital expenditure for rehabilitation. This year both combined are likely to be 33 crores. Now, Sir, these new lines can begin to pay only after they are finished. In the meantime interest runs on capital. Enlarging of the yards, the building of bridges with heavier girders and such other rehabilitation processes also require capital expenditure which again can become paying, if at all, after the whole thing is finished. In the meantime the interest on all these 30 crores must be paid and that for several years. And this is, unless I am mistaken, being paid from revenue, so that you are every year paying out of revenue interest on nearly 30 crores or 20 crores or whatever the annual capital expenditure. This is unjust and what is worse we are not getting, owing to such methods, a correct perspective as to whether the new construction or new rehabilitation is really paying or not. You cannot judge of these new constructions and rehabilitation schemes in their true perspective unless the whole interest on these new constructions and rehabilitation programme is paid out of capital, until they are completed. During the interval the whole interest on them must be borne by capital. Otherwise you never get a correct perspective as to their financial success or otherwise. This year, taking the interest at 5½ per cent., if 32 crores are spent on capital programme we will nearly pay out of revenue as much as 170 lakhs, not for any purpose of railway working but for schemes which are still under contemplation and under construction. Then, Sir, nearly two crores of rupees are being paid out of revenue on payment of capital annuities though they are paid out of the 6 crores and 40 lakhs that we pay to the general revenues. Then 47 lakhs of rupees are paid towards sinking fund again from the general finances out of 6 crores 40 lakhs. Then land subsidy and survey again should not be charged to revenue. They should be charged to capital. To each scheme, when the scheme is ready, the cost of the survey of that scheme must be charged. Similarly land. It should not be a burden on the revenues of the year. Why should

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schemes which will materialise five years hence be charged to the revenues of the Railways? Then, Sir, the automatic couplers are really a betterment of the present method of coupling. They are in a sense rehabilitation or betterment and must be charged to capital and not to revenue. Similarly, you have to take 18 crores of surplus stores which cannot be used, and interest runs on these 18 crores or 17 crores and 50 lakhs. That is one crore. Then, Sir, you are writing down the value of the stores in the current year by 80 lakhs. That again is a charge on Railway revenues. Then, Sir, losses on individual railways are again charged to the revenues of the year. I do not know what they come to but there are losses even this year on some railways. They do not pay 5½ per cent. Then, Sir, there are the charges from the Secretary of State in the form of 37 lakhs of rupees for the Lee Commission recommendations. This is not commercialisation. The other day my friend Mr. Sim very rightly quoted from me that we should not increase the remuneration of our employees on the recommendation of any committee. He forgot that he was proving too much and that the very next day he would be doing what he was protesting against. In this way on a mere haphazard calculation I find that we have to pay out of Railway revenues this year nearly 10 crores of rupees in addition to what those revenues could be legitimately charged with exclusive of the 6 crores and 30 lakhs to the general revenues, so that in this single year Railway revenues will bear 16 crores and 30 lakhs of greater burden than you can legitimately charge to them. After that I cannot wonder that the rates and fares must be where they are, nor am I astonished at the absolute want of human conditions in third class travelling. This is certainly not commercialisation in any sense of the term. This is not State management in any sense of the term. We will have to exercise greater vigilance in this matter so that we can get at the bottom of this mischief which improperly charges to revenue 10 crores every year besides the contribution to the general exchequer. Not one of these items could be regarded as a proper charge on revenue, and if you still pay them out of revenues, you cannot help submitting the third class traveller to inhuman conditions and charging rates on trade and travel which are impossible on any economic competitive basis. That, Sir, is my comment on the question whether we are really having any commercial management so far, although that is our ideal. Then, Sir, there is another thing on which I want to speak. I think Sir Charles Innes will agree with me that the present method of showing the accounts of purchases of stores made in this country and in England is not only not satisfactory but it is amusing and ridiculous. If you have purchased 15 crores worth of stores in England you are now showing in your accounts 10 crores as spent in England and 5 crores as loss on exchange in India. As a matter of fact you have paid 15 crores to English manufacturers. Still on the 2s. ratio you show 10 crores as having been spent in England and 5 crores in India as loss on exchange. Not only that but the customs duty is charged as expenditure incurred on the purchase of stores in India. In this manner expenditure which is really chargeable to foreign purchases is debited to the Indian stores purchases and it is made to appear that enormous amounts have been purchased in India whereas as a matter of fact they are on account of purchases made in England. Here is a balance sheet in Annexure B to the Memorandum which accompanies the Railway Budget and you find that 10 crores is shown as having been spent on stores purchased in England and 3 crores 59 lakhs as loss on

exchange, and one crore 47 lakhs as Indian charges on English stores. These charges ought to be shown against English purchases. Still they are shown as if purchased in India. Therefore I think the form of showing these charges is entirely misleading and should be changed. It is not right that the Government should publish a form which is so grossly misleading.

Then, Sir, the last word which I want to say on the Budget is that the stores purchases and other rehabilitation expenses are being done in a manner which the Government will admit are not in accordance with the lines laid down by the Assembly when sanctioning 150 crores for Railway rehabilitation. Paramount consideration was to be given to the comfort of third class passengers and it was also promised that as large a portion of it as possible would be spent in India and that encouragement would be given to the establishment of railway industries in India. I do not think they have carried out this promise entirely or even substantially. And although I do not say that these enormous crores were obtained on false pretences, I do say that the representations on which this money was obtained are not being properly carried out. The locomotive industry has become a matter of remote possibility so far as this country is concerned. You cannot have a locomotive industry in this country for years to come and yet 30 crores out of that 150 crores were certainly sanctioned because of the locomotive industry which it was hoped would be built up in this country. Similarly, the third class passengers were to figure very largely in the matter of the expenditure of that 150 crores: but it has dwindled down to a very very small proportion and the most curious part of it, as my friend Mr. Sims explained to me the other day, is that they have really provided only 32 lakhs for third class passengers and they are making a show of having provided 174 lakhs inclusive of the amounts for more coaches for third class passengers. But unless they show at the same time that these additional coaches are meant for the existing railways and not for the new construction, they cannot say that they are meant for the comfort of third class passengers. That will simply increase the extent of the present discomfort. Overcrowding instead of being confined to the existing railways will be multiplied and extended to the areas where new railway construction takes place. Where does the comfort of third class passengers come in? Merely providing third class coaches on new construction cannot be said to be money spent on the comfort of third class passengers. I think it is certainly not reasonable to show 174 lakhs for third class passengers' comfort. And then 3 or 4 lakhs or a similar sum is shown for raising of platforms. Where is the comfort of third class passengers as such when you raise the platforms? That is of comfort to all classes of passengers. It is of comfort to goods also. How can you show that as money spent for the comfort of third class passengers? Similarly—Indian refreshments. That is not third class. Indian refreshment rooms will be used by Indians who are travelling first, second and intermediate class. Why do you show all this expenditure as if you are incurring it for the benefit of the third class passengers when as a matter of fact it is for the comfort of all classes of passengers? And, if you examine the position in this light, you will find that the third class passenger has not been getting even a modicum of what you promised when you wanted the 150 crores. Therefore you must put a spurt on your activities on behalf of third class passengers if you are to justify your claim, because you have obtained 150 crores on the representation that the comfort of the third class passengers was to be your paramount consideration.

[Mr. Jamnadas M. Mehta.]

Sir, I have finished. I think, Sir, that Sir Charles Innes should realize the full weight of responsibility which is on him in this matter, because he has been in charge of this whole matter throughout. You will remember, Sir, that the Acworth Committee said that the Railway Member must be a capable administrator, a parliamentarian and a railway expert. (*The Honourable Sir Charles Innes*: "No, not a railway expert.") Yes, look at page 39. They say if a man could be found who had the qualifications of a capable administrator, a parliamentarian and railway expert he would be an ideal selection for the post. (*The Honourable Sir Charles Innes*: "Read on, read on.") I have read it. It is said, Sir, that it is impossible to get such a man. But I say that we have almost got one. I was going to say that all those three qualities are very nearly happily combined in Sir Charles Innes,—if he would only realize the full weight of his responsibility. All the promises of Government are materializing very slowly, in some cases not at all. And further he will be doing right by the country if he will not promise to an English audience or to an economic conference that 95 per cent. of the purchases outside India (*The Honourable Sir Charles Innes*: "Pardon me, I made a statement of fact, no promises.") Then, Sir, as a statement of fact it is most deplorable; and although I cannot blame him, I should urge that he should minimise it as much as possible and see that the 95 per cent. is reduced to 5 per cent. and eventually to zero.

Mr. Bipin Chandra Pal (Calcutta: Non-Muhammadan Urban): Sir, I want to join my tribute of congratulation to the Honourable Railway Member for the exceedingly capable and lucid statement which he has placed before us. The statement on account of its lucidity and the very clear,—some will perhaps say also very clever—arrangement of facts and figures, that he has placed before us has made it possible even for the mere layman to think on this very complex technical question intelligently and have his say on it. There have been two views current in this country in regard to railway policy and railway administration. One view is almost universally held by the official and the non-official European community, the view, namely, that railway extension is an unmixed blessing to the people of this country. There has been an opposite view held by some of our best educated and even most representative public men that these railways are an evil. They increase the burden on the tax-payer; they deprive us of the advantages of the primitive simplicity of our own culture and civilization. (*A Voice*: "No.") Yes, Sir. I will not name names. You know there are people who are against railways altogether, who want to go back to the old days when we drove in state in our bullock carts. (*Pandit Sham Lal Nehru*: "Are you one of them?") I am not talking of myself. I am talking of two views. There have been two views. There are people who do not like the rapid extension of railways which some of us here, the new industrialists, are anxious to have. The thing is this, Sir, that if you go to any village which had not the privilege of a railway say 10 or 15 years back, and if you ask the poor villager there if he likes the new railway, as I have asked them sometimes, the answer will be, "No, sir, because these railways make life difficult for us. They take away the things which we produce to distant parts, starving the local population." (*Pandit Sham Lal Nehru*: "No, no.") You may shout "No, no", but neither the volume of your shout nor the bulk of something else will help. Now this is the view of the villagers. (*A Voice*: "No.") One gentleman, a zemindar

from my part of the country who knows his village very intimately, told me only this morning in the corridor of the House that that was a fact, that people in the rural areas did not quite appreciate the great advantages of modern railways that these made for increase in the cost of living. Be that as it may, the fact is absolutely incontrovertible that the railways were first introduced with a two-fold purpose. One purpose was to tighten the political domination of our masters on the country and for strategical motives. The first railway, the East Indian Railway, was opened in 1855, just a few years before the mutiny, if I remember aright. (*An Honourable Member*: "It was in Bombay.") We had the first railway in Bengal in 1855, and after the Mutiny railway extension went up by leaps and bounds. There is this view. I do not entirely support it. I do not criticize it here; this is not the place nor the occasion to do so, but I think it my duty to place before this House and the Railway Administration these two views, namely, one view which supports the extension of railways in all directions—all possible extensions of railways—and there is another view which somewhat differs from this policy, which does not actually favour this policy. Now, we have in this year proposals for extensions. I do not take exception personally, and I think few persons here in this Assembly or outside will be able to take exception to these extensions, because they almost in every case go to the mining districts with a view to explore the mining resources of the country, but when they go to the agricultural areas and they draw away the agricultural produce and send it out of the country, there are people who certainly object to that process of exploitation. Now, Sir, the second thing is this. In this context we are reminded by Sir Charles Innes that India with a population of 300 millions has got 38,000 miles of railway. Contrast England, he says, with its 50,000 miles and the United States of America with its 250,000 miles. Now these comparisons are rather risky. When I am asked to compare the railway extensions in England and United States on the one side and India on the other, I feel a little nervous lest I should be tempted to be carried off my feet and forget actualities. Now railway extension is legitimate where it follows the development of commerce and industry; and when he places the mileage of railways in England or in the United States side by side with the mileage of railways in India, I expect Sir Charles Innes to give me the figures of the trade and commerce and the incidence per head of the trade and commerce of England and of this country. Referring to these figures, what do we find? The total volume of the trade of England, export and import, for the last year for which we have the figures, 1923, came up to 1,983 millions as compared with 602 millions—the total value of exports and imports of India. Now 602 millions is the total value of our trade, as compared to 1,983 millions, the total value of the trade of Great Britain! I think that ought to be the measure of our railway extension. And what do we find? 50,000 on one side and 38,000 on the other. Why, it ought to have been under normal conditions only 15,000 miles, not 38,000. But I will not labour that point. We have to take facts as they are. Our railway administration has got a past history; for whatever reasons it may be, the railways have come and they have come to stay and our duty is to make the best of this new system. And how can we do so? That is the next point, and this leads us to the policy of railway expansion. I think as long as the Government are guided by one consideration only, namely, to develop the resources of the country where there is an actual need for this development, not for exploitation but for development purposes, that

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is all right. If you want railways, you must have them—just as we have in the list of new lines a certain railway which is wanted to develop the manganese ore industry. We have also the other class of line to which my Honourable friend, Sir Campbell Rhodes, referred, namely, that which is wanted for the development of the Vizagapatam Harbour. Now these are lines which are absolutely justified, and the Government ought to spend as much money as may be legitimately necessary for the development of these lines. There may be other lines of this kind also. In my own native district of Sylhet I find there is going to be a new line from Karimganj to the Sangai Valley. Now that also, from actual circumstances we know is justified because it will open up a tract of country which needs good roads for the carriage of an already existing industry, namely, the new tea industry in the valley. These are actual justifications for these lines. There may be other lines also. I do not want to enter into details of new construction but what I want to insist upon is this, that no new railways shall be built except where there is actually a demand in the new and increasing trade of the locality concerned. Where there is no such demand, new lines ought not to be undertaken.

Now with regard to the other items. I am glad, I am thankful, for the sympathetic manner in which Sir Charles Innes speaks of Indianization. I am thankful, Sir, when he says that Indians must have a chance. Give him a chance. Give him a chance, this is what I want, but what I find here is this, and this is rather suspicious. Now looking into the figures, what do we find? In the first place, the classification is rather curious. I find in Annexure A in the Explanatory Memorandum that these railway officials are divided into four classes: Europeans, Anglo-Indians, Muslims and non-Muslims—men, women and clergymen, Sir! (*The Honourable Sir Basil Blackett*: "Who are the clergymen?") Why, Sir, do you divide Muslims from non-Muslims? We already suffer from division, but why do you seek to drive a wedge between one Indian community and another, and divide us in a matter like this? So far as the railway service is concerned, there ought to be no division as between one Indian and another. In other services also there ought not to be any such division. If there is any division insisted upon by any particular community, it may have it, we may be left to fight it out amongst ourselves, but why should Government, why should a Department of the Government, try to create this feeling that there are some Muslims and non-Muslims hankering for the loaves and fishes of Sir Charles Innes's Department? Now looking into the figures, what do we find? In the Agency Department, the Europeans I find have an addition of 33, from 1923-24; Anglo-Indians, an addition of 3, and then Muslims and non-Muslims together, an addition of 13. 33, 3 and 13—this is the ratio of increase in the Indianization with regard to the highest Department of the Railway, the Agency Department. Coming next to the Engineering Department, there is no increase, it is all decrease. I think it seems that with the extension of Railways, we want less engineers! There is a decrease of 1 in the European, 5 in the Anglo-Indian, and 19 among Indians, Muslims and non-Muslims. Now coming to the Traffic Department there is a decrease of 10 Europeans and 3 Anglo-Indians and an addition of Muslims and non-Muslims combined of 2. Coming to the Locomotive and Carriage and Wagon Department, there is a decrease of 22 in the European branch, an addition of 2 in the Anglo-Indian and an addition of 5 in the

Muslim and non-Muslim combined. In the Stores Department an addition of 6 in the European services and a decrease of 3 in the Anglo-

4 P.M. Indian and the Muslim and non-Muslim. In the other departments there is an addition of 14 in the Muslim and non-Muslim category, and a decrease of 9 in the other two. In the total what do I find? There is a decrease of 2 in the European services, there is a decrease of 6 in the Anglo-Indian services, there is an addition of 30 in the Muslim and non-Muslim. Is this, Sir, a proper standard of Indianization? I do not want to raise any racial or communal question here. I accept the Anglo-Indian as an Indian in regard to these matters. India is his home, India is the place, the only place, which he can look up to as his own—and as the place where he has to spend his life and whatever savings he might have. And both Anglo-Indians and Indians have a common complaint against the appropriation of practically the entire service under the railway administration by Europeans, and I think instead of making a complaint of the appropriation of a large number of these posts by the Anglo-Indians, we ought to combine and join the Anglo-Indians in our protest against the Europeanization and the continued attempt to keep the railway service in the hands of the Europeans.

Now, Sir, I have one word to say with regard to the schools and the training which is wanted. I find mention is made in this Memorandum and in Sir Charles Innes's speech, or rather in the statement made in the other place by the Honourable Mr. Hindley, that they are going to open some Schools and a Central School at Chandausi. Now, I want something more than these schools. In the Chandausi school, we are told, an attempt will be made to train up those who are already in the railway service. But what we ask is, why should not our young men brought up in our universities and colleges be provided with proper training in the various mechanical and engineering departments in your workshops? We have hardly got a descent number of engineering colleges in this country. The Bengal Engineering College is practically decadent, and we have got an engineering college at Roorkee, and a few engineering colleges here and there. But we want more technical colleges. Our people are craving for manual instruction and technical education, but you cannot get technical education and manual training outside real workshops. And where can you have workshops? The workshops that are controlled by the Government are mostly in these railways, and I ask the Honourable the Railway Member to see to it, if he cannot make provision for the education and training not only of the men who are likely to enter the railway service but of those who are likely to seek employment elsewhere also in mechanical engineering and electrical engineering and other branches of these technical works in the railway workshops. I hope, Sir, the Honourable the Railway Member will consider this humble suggestion of mine.

Finally, Sir, I come to the Railway Advisory Committee. Now, we know, Sir, how these Railway Advisory Committees are formed. It has been the tradition with the Government of India that if you want to form any Committee, whether it be a Committee to visit the jails or for some other purpose, you look up the New Year's Honours List, you look up the 'Visitors' List in the Government House and then pick out your men. This is not the way to select the right kind of men for your Committees. If you want real, helpful Railway Advisory Committees you ought to choose members from among the daily passengers in the different railways, you ought to select members from among men who have an intimate knowledge

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of the traffic and the difficulties of the people who travel by these railways. But you do not do it. I hope the Honourable the Railway Member will see to it that in the selection of members for the Railway Advisory Board care is taken in the future to have men who have actual experience of these things and who have some influence over the travelling public in the locality.

Then, Sir, a word about the passenger traffic. Enough has been said with regard to the improvement of the comforts and conveniences of third class railway passenger. I am glad and thankful to the Honourable Sir Charles Innes for the small mercies which he promises in regard to this matter. He has promised to give us 30 lakhs, I think, for improving the amenities of third class passengers, for the arrangements of water supply, waiting sheds, Indian refreshment rooms and so on. I hope he will consider the desirability of attaching Indian refreshment cars to long distance trains just as they have the European refreshment saloons. I mentioned on another occasion on the floor of this House that there are Indian refreshment cars in the Jodhpur-Bikaner Railway; so similarly why should we not have compartments set apart or a carriage set apart for catering to Indian passengers in our long distance trains?

Lastly, Sir, I come to the question of the railway employees. It has been said that it is the ideal of the railway administration to run the railways on commercial lines, and as my friend Mr. Joshi has pointed out, the wisest managing director of any concern is he who not only looks to his profit but more than to his own profit and the dividend to his shareholders, who looks to the comforts and contentment of the workmen who bring him his profits, and it is the duty of the railway administration to look to the comforts and the contentment of the large body of railway workers and railway labourers all over India. We are coming gradually to the point which has already been reached by other countries in the matter of labour organizations, and in the interests of the railway administration, as an employer of labour, perhaps the largest employer of labour in this country, it is necessary that before the railways transfer their profits to their capital account, they should spend as much as is necessary to secure the comforts and contentment of their own workmen. If this is done, I think we shall be able to congratulate ourselves and congratulate the Honourable the Railway Member, whether the Honourable Sir Charles Innes continues in his place next year or not,—we hope he will not—because rumours are rife that he is going to a higher place. But whatever that may be, we hope the next time he presents his Budget to us, he will tell us in his statement that not only has he been watchful of the comforts and conveniences of the passengers, not only has he been sympathetic to those who want Indianization of the railway services, but above all, he has been sympathetic and more than sympathetic, he has been just, to his own labourers and workmen.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): Sir, numerous congratulations have been bestowed upon the Honourable the Railway Member, and perhaps he has deserved them, and I do not grudge them to him. His speech contained colossal financial figures such as would strike the imagination of an ordinary man, and from that point of view perhaps his speech has been an epic-making speech. But whether it is an epic-making speech or not, it is certainly an epoch-making speech.

and for this reason. It has been a plain business-like statement and yet he has the honour of introducing into the administration of this country a new epoch, that is to say, a period which begins with entirely new conditions for one department of administration. That is, he has made this House responsible for quite a new starting point of arrangement. But how far is this really a new arrangement? That is the question. And my answer to that is that, in my opinion, we are certainly out of the tunnel but not yet out of the wood. What has certainly been accomplished is that the Finance Member on the one hand and the Railway Member on the other hand are perhaps quite as against each other; their interlocking has been broken. The Finance Member can no longer characterise the Railway Member as a high gambler in Railway finance, and on the other hand the Railway Member cannot blame the Finance Member for putting an excessive control upon him and checking his extensive ambitions. But in all this what has the rate-payer gained so far? That is, in my opinion, the real question. And though the Finance Member and the Railway Member have been released from each other's bondage, I think relief yet remains to come to the rate-payer in a large measure. Anyway, it seems that we have reached a definite stage, an advanced stage, in the evolution of the Railway Department, and yet, as one doctrine of evolution has it, even this latest stage of development contains vestiges of all the antecedent stages of development through which this department has passed. The Railway Member has said that he resembles the chairman of a directorate of shareholders. It is an unmixed metaphor but its merits are mixed. It is a happy metaphor but it raises unhappy associations so far as I am concerned. I see in him the parallel of a chairman of a directorate of a joint stock company, the like of which we have seen in plenty in Bombay and other places recently. I dare say that the Railway Member cannot, as representing Government, dare to face this House and give a satisfactory or creditable account of the stewardship of the Railway Department if we take all the years of the Railway Department's life together. So far as the Railway Member himself is concerned, he is no doubt the chairman of the directorate, but he differs from an ordinary Chairman in many ways. He is not elected. He is appointed by Government. He enjoys a non-votable salary and a non-votable pension. Even if his Railway Company goes to rack and ruin no body can sue him in a railway court, much less can he be impeached for his maladministration in a criminal tribunal. The question really is, during the stewardship of the Government, as being responsible for the administration of the Railways, has the Indian tax-payer, who is really the ultimate shareholder in this company, got any satisfactory return for the money that has been put into this business? On that matter I think I can justly claim that the shareholder has been kept out of a reasonable or even a fair dividend for the last nearly fifty years. Railways have only recently begun to pay. And in this matter I will quote the testimony of a previous Finance Member himself—I mean Sir William Meyer. He said:

"On the other hand if you take Sir Dinshaw Wacha's metaphor and the people of India as shareholders in Railways, you have got the fact that the shareholder went without any dividends for a long time, because, as Sir Dinshaw has aptly reminded the Council, it was not until after many years that the Railways began to pay, and the shareholders may quite reasonably claim that they should have some reward for their past abstinence. Also as shareholders might claim in an ordinary business, they might say 'It is all very well for you to put part of the profit into improving the business, but you must apply part of it in giving us dividends.' If the Railway Budget is not to be disturbed for the needs of the General Budget, why should the Railways not make a fixed annual contribution to the national exchequer on a scale to be determined say every five years?"

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A beginning has no doubt been made in this direction; but I am one of those who think that we are not going as far as we may in that respect. Also, I will here quote the testimony of a writer who perhaps may be condemned by some of our friends here as an erudite professor. We have seen that those of us who are uninformed of course are no good because we are uninformed, and some other critics who are well-informed are of course no good because they are erudite professors. Perhaps only the experts may reign and rule in this House. This writer says:

"There are critics of the Railway Finance in India, who hold that before the Railways in India could be considered on commercial principles to be a paying concern, they must make good all the losses, which the State has incurred in the past, when railway receipts did not suffice to meet even the working expenses, or the interest on the Railways. At this rate,—which is by no means unreasonable from our point of view,—even the interest charge is not and cannot be met from the so-called railway surplus of profits of to-day, let alone a proper depreciation fund making up arrears of past depreciation provision. But even if we drop the question of compound interest on the losses incurred by the State for making both the sides of this wasteful asset meet in the past; even if we take no account of the mere capital value of these losses, the problem of railway finance still will remain:—Whether the demand of the State from the Railway profits is fairly calculated, when the calculation is based only on the present earnings after perfunctory provision has been made for a depreciation reserve. The only way to make a sound financial provision for the working of the Indian Railways is to cry halt to the programmes for further construction, until all the wastage has been made good from the surplus revenues, until all the expansion and developments on the existing lines have been effected from the current profits."

We know that the Retrenchment Committee has severely criticised the Railway Administration, and we also know that the recommendations of the Retrenchment Committee have not been properly carried out. To one instance of the criticism of the Retrenchment Committee I would refer here, only to show how far the Railway Board has been worthy of its hire. The Retrenchment Committee mentions one instance in which the Agent or the Traffic Manager of a Company says that repairs and renewals upon his particular Railway are not needed for the next 15 or 20 years and yet the Railway Board insists that these repairs must be done immediately. If that be the fact, then it obviously shows in what spirit the Railway Board works in the Railway Administration. Well, it has been claimed that Railways have now begun to be profitable but, as has been amply pointed out by previous speakers in this House, it is the increased rates and fares which are really responsible for the small profits that we are beginning to receive from the Railways.

Our Railways, again, are still working, and the Railway Board is still working, in a perfectly *unswadeshi* spirit. The other day I read an extract from a lecture given by a European to the Assembly some 3 or 4 years ago in which the lecturer practically censured the Assembly for overlooking the fact that ordinary wood for the use of railways, coaches and carriages, was being imported from Australia and other colonies, whereas really in India we have an ample variety of all kinds of wood for immediate use.

Then, again, the Railway Administration is working in a racial spirit. It has been said that the Anglo-Indian community have got a kind of special instinct or aptitude for service in the Railways. I do not know whether the Railway Board or the railway companies have gone into

biological researches in the matter, and I do not know on what side they have found that instinct or aptitude, whether on the paternal or on the maternal side.

It has been said that in America and other countries they do not exercise so much control over the Railways as we seek to do here. That is perhaps because their railways are run by private railway companies. But this much we do know about the difference between America and India; and it is this, that the railway rates are so cheap in America that it is said that with one day's wage an American labourer can travel about 8 times as far as an Indian labourer can with his one day's wage. Of course there are complaints even in America about the mismanagement of railways, and perhaps that sort of complaint you may find all the world over. I was just reading the life of Mr. Ford, the great motor car maker, and there he says in his Chapter on the Railroads:

"The public is dissatisfied because both the passenger and freight rates are too high. The railroad employees are dissatisfied because they say their wages are too low and their hours too long. The owners of the railways are dissatisfied because it is claimed that no adequate return is realized upon the money invested."

Now, I quite admit that nothing can be perfect in this world; and even in America railway administration is not as successful as it may be. But, as I have pointed out just now, there is this difference between railway administration in America and railway administration in India that a labourer can travel about 8 times as far with one day's wage in America as an Indian labourer can with his one day's wage in India. That is ample proof that whatever mismanagement of American railways in other respects there may be, they are certainly better managed than the Indian railways at least in one respect.

Much is made about the control which we seek in this Assembly to impose upon the Railway Administration, and reference has already been made to the latest Royal Commission Report upon the New South Wales Railways. But sufficient attention has not been paid to one passage though it has already been read, namely:

"They (i.e., the Railways) should be free from the influence of either party, and when once the Chief Commissioner is appointed, he should be trusted to carry on his duties to the best of his ability and in his own way, subject"—(*mark these words*)—"solely to the limitation of his powers in regard to rates and fares, staff and other matters of defined state policy."

Does the control that we seek to enforce upon the Railway Administration in this House really go to any extent beyond these exceptions which have been already made in that report? Do we ever go beyond inquiring into the powers of the Railway Commissioners in regard to rates, in regard to fares, in regard to staff and other matters? That will at once show that though the report has been quoted in favour of proving that railway administration should as far as possible be free from the control of political parties—and I quite appreciate that idea that railway administration should be as far as possible free from too much control by political parties—still I contend that we have just now touched only the fringe of the control that we may legitimately exercise upon the Railway Administration. We have yet to go a long way in enforcing our control. Mr. Sim has already taken

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the opportunity to give us a warning that if we exercise more control over the Railway Administration, then the Railway Board will not be responsible for running the railways on an economic basis. Here is what he says :

" I should like to repeat that warning that if any such policy as is proposed in this Resolution"—(*this refers to the discussion on the Railway Resolution the other day*)—" is ever adopted, State management is bound to fail and if it does fail, the failure will be not because the management was carried on in the name of the State but because your managers were not allowed to manage."

Now, I make a present of a return warning to Mr. Sim that, whatever he may say about the improper nature of the control exercised by us upon the Railway Administration, we are not to be lightly put off like that. We shall continue to enforce all the reasonable control that we can possibly command in this House over the Railway Administration, and yet hold the administration responsible if the State management goes wrong. I give him that warning in all seriousness. It may be said that here in this House we are not experts, and therefore we are not entitled to criticise the Railway Administration. But I say in return that it is a wrong notion to expect that there could be many experts in this House consisting of representatives of different constituencies in the country. You must take the situation as you find it. We are, of course, non-experts but I also think that if the world were full of experts, the world would not be worth living in. We are here all men of common sense, representing certain interests, endowed with a reasonable average amount of intelligence to understand things, and with the will to enforce our responsibilities upon ourselves as well as the responsibilities of the officials upon them. It is always the habit of the Railway Board and the Railway Administration to whittle down every recommendation that is made in criticism of their administration and which goes against their will. We have seen however the Retrenchment Committee's recommendations have been whittled down, and if people with expert knowledge criticise the administration, then, as I just now said, they are run down in the phrase that they are mere erudite professors and not acquainted with the practical details of administration. But whether we are experts or whether we are not experts, whether we are only men of common sense or of learning, I warn the Railway Board that we shall never be lacking in the enforcement of the proper responsibilities against them and while they must bear with us in ill-informed criticism on our part, they must submit to our well-informed criticism.

Mr. Kumar Sankar Ray (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, management on commercial lines involves the employment of cheap labour. So long as the administration is not thoroughly Indianised that is not possible and no serious attempt seems to be made in that direction. Commercial principles involve further the adoption of the lowest possible profit and quickest possible handling of the traffic. We have not yet got the Rates Tribunal, nor any appreciable reduction of rates and passenger fares. Monopolist concerns such as these must therefore be strictly controlled by the popular Legislature.

Then comes the question of the provision of a depreciation fund. Here, too, we find no provision is made for the investment of the funds and no account is taken of the interest that can be realised on it.

Much waste of time and money is further caused by the existence of different gauge systems of railway lines in the country and no proper attention seems to be given to the gradual establishment of a one gauge system and insisting on a unitary system for all new constructions. Another defect in the railway administration of the country is that it does not keep in view the industrial regeneration of the country which is highly necessary for the prosperity of the railway administration as well. The sole object of the authorities seems up till now to have been confined to the draining away of the agricultural and mineral wealth of the country to the different ports of export and bringing in foreign goods up the country from there. The scandalous way in which the coal traffic of the country is being managed while other countries provide bounties for its transport is proof positive of this policy.

Generally speaking, the interests of Bengal seem altogether to be neglected in the present Budget as far as construction of new lines is concerned, although our province has shown great improvement in the traffic. As regards stores its purchase is based on no principles. Reckless purchases are made and then amounts are written off to the extent of Rs. 18 crores and you have to incur a further loss of Rs. 50 lakhs for striking off the amount and for selling the stocks at a loss.

Lands acquired on both sides of the railway for purposes of earthwork almost twice the area of what is actually occupied by the railway lines are left useless and waste as breeding ground for malaria. Commercial working involves also the necessity of having a satisfied staff. The higher staff of the administration has the Lee Commission to look after them, but if you ask for a commission for the lower staff that will bring in revolution in the country. The heavy loss paid as compensation for goods lost by the railways indicates a rotten administration and it is high time that the lower staff should be looked after more carefully.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadian Rural): *Sir, I regret I cannot join my Honourable friends in congratulating the Honourable the Commerce Member on the Budget which has been laid before the House. I join the Honourable the Commerce Member in saying that there should be a policy of railway development pursued in this country. He said that it should be a bold policy. I should say it should be a sensible policy, but there should be a policy of development of Railways. There are two aspects of the development of railway policy which I should emphasise. One is the manufacture of more railway material in this country and the second is a system for the employment of Indians in the higher grades of the railway service. On those two points I do not think that the Budget presents a satisfactory aspect.

The development of the Railways has been largely hampered in the past because of the mismanagement which characterised railway administration in the earlier years. Of course, I do not hold either the Honourable Sir Charles Innes or Mr. Sim or any member of the Railway Board responsible for it. I refer to it not with any pleasure but only to show that railway development has not reached the limit that it should have reached by this time the fact is explained by the want of proper management in the earlier days. The railway administration has not been a success in this country so far. That is a fact writ large upon the history of Railways in India. Why has it been so? I will not refer to the mismanagement

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which led to the establishment of railways that were obviously not profitable. But what happened in the past and the remote past might be excused if there was sufficient care bestowed on dealing with this question even now. As an instance of not very well considered schemes of railway management I think it will be difficult to name one worse than the Assam Bengal Railway. Rs. 18 and odd crores have been spent upon that Railway and yet I understand it involves an annual loss of Rs. 40 lakhs or something like that. Even so, about a year ago about Rs. 37 lakhs were provided for being spent upon that Railway. The Assam Bengal Railway is not the only instance of a railway that has not paid. My Honourable friend Mr. Rama Aiyangar referred to the other railways. Mr. Jamnadas Mehta has mentioned the few railways that have been paying. The result of it all is that the people of this country have invested a very large sum in the Railways and the Railways have not paid a proper return. Apart from this mistake in the selection of railways and the starting of them in the initial stages,—the second and larger reason for the failure of these railways has been the absence of any provision in the arrangements of the Government of India for manufacturing railway stores to the extent to which they could have been manufactured in this country. A Government which has built up extensive lines of railways should have provided for the manufacture of railway material in this country to a much larger extent than it has done, and I submit that, while the Legislature has agreed to Rs. 30 crores being spent every year on the development of Railways, it should be a wise policy even now to consider whether the Government should not start another steel and iron works like the Tata Iron and Steel Works or whether they should not acquire those works and add to them sufficiently to be able to get all or most of the railway material so far as they can from those works. I feel, Sir, that, in view of the immense loss to which the people of this country have been put in the matter of their railways in the past, it is high time that this question was seriously taken up and considered. Where you are spending Rs. 30 crores a year, 10 or 15 crores spent on another big iron and steel works will be a matter of pure benefit to Government and to the people. I do not see any objection to such a course being adopted. When the Government of India have started this commercial business of railways it cannot be urged that Government should not do whatever else is necessary in order to make that business successful. It has been stated that the Railways should be run on commercial lines. True, let them be run on commercial lines, but it should be a part of the commercial business which Government do in Railways that they should manufacture such of their railway material here as is possible.

The second reason for the failure of the Railways is the employment to an enormous extent of non-Indians in the management of Railways. I do not look at it from the point of view of differences of race. It is not a racial question in the sense in which these words are used ordinarily. I look at it from the purely economic point of view. Here you start railways in this country 7,000 miles away from England. You have got raw materials in this country out of which you can manufacture your railway material. You do not bring out the men to work these railway materials up here. You do not train up men in the country to work these railway materials. On the other hand, for establishing your lines, for maintaining them, for running them, you import from the highest engineer downwards

to the station master in some cases, from outside. With the exception of a small percentage mentioned in the Budget all your engineers are imported, and this must entail a very heavy expenditure. The result of it is obvious. The Railways are such an unprofitable concern, because you have worked them on wrong lines. The expenditure which the Railways have involved has been always very heavy. In the Report of the Inchcape Committee it was shown that the working expenses of Railways have increased from 29.35 crores in 1913-14 to 67.99 crores which was budgeted for 1922-23. Last year the expenses amounted to 63.25 crores and this year you are budgeting for 65.79 crores, that is to say, $2\frac{1}{2}$ crores more than was budgeted last year. In this increase we find that the carriage and wagon expenses were exceptionally high, namely, 235 per cent. over the actuals of 1913-14. Taking the cost of maintenance and renewals of permanent way per mile of single track the expenses in 1922-23 showed large variations on the different railways. For instance, the cost of the Bengal Nagpur Railway was Rs. 1,538, while on the Great Indian Peninsula Railway it was Rs. 4,357. The variations in the cost for similar work on the different railways are very marked. They may to some extent be due to the amount of renewal work but surely the cost should not vary so much as the figures in the Inchcape Committee's Report show. The Inchcape Committee themselves remarked that "the figures call for investigation and we are not satisfied that the present scale of expenditure is essential to the efficient and safe working of the line." As in the case of engineering expenses, we find similar variations in the average cost of repairs and renewals to locomotives and in the average cost for repairs and renewals per vehicle stock. The cost per locomotive in 1922-23 was Rs. 5,620 on the Bengal Nagpur Railway, Rs. 8,686 on the North Western Railway, Rs. 9,854 on the Great Indian Peninsula Railway. The cost per vehicle in the same year was Rs. 227 on the East Indian Railway, Rs. 474 on the North Western Railway and Rs. 591 on the Bombay, Baroda and Central India Railway. These variations call for a searching investigation. In the Traffic Department the staff employed on many railways has increased to a much greater extent than is justified by the additional traffic now carried. The Retrenchment Committee were of opinion that the retention of a large surplus staff inevitably lowers efficiency and that the staff ought to be reduced to the level necessary to meet current requirements. Government publish no details of the cost of the subordinate staff or of the workmen. Yet it can be shown that the number of superior officers in all departments of the State Railway worked both by the companies and by the State has been unnecessarily increased during recent years, and calls for a special reduction both in the number of officers and in their salaries. The Railway Board's Administration Report for 1920-21 showed that of the total working expenses of the State Railways amounting to 60.29 crores, Rs. 26.68 crores or 44.45 per cent. were on railway staff. This indeed was a high percentage. Comparing the list of superior officers of the 11 principal railways for the year 1912 with that for 1922 there is an increase of 24 per cent. in the number and 65 per cent. in their salaries. In paragraph 7, page 31, of the same Administration Report the Railway Board admitted that the claims of better paid officers were less urgent, yet large increases to the salaries of all officers were allowed from 1919 even beyond the recommendations of the Public Services Commission of 1914. The total expenses on the whole staff were nearly doubled since 1913-14. The need for increasing the number of superior officers has not been explained. It is not justified by the small increase in the open mileage which was ten per

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cent. only. The figures for 1922-23 as compared with the figures for 1912 are as follows:

1922—Total number of officers	...	...	1,959
1912—Total number of officers	...	...	1,578
			Ra.
1922—Total amount of salaries per month	...	...	20,41,636
1912—Total amount of salaries per month	...	...	12,26,116
1922—Average salary	...	...	1,078
1912—Average salary	...	...	777

Percentage of increases:

Number of officers	...	...	24 per cent.
Amount of salaries	...	...	65 per cent.

381 officers were added to the number employed in 1912. The Retrenchment Committee recommended reduction of a crore and a half for the extra staff that had been employed. I understand the Great Indian Peninsula Railway carried out some reduction of staff to the extent of 40 lakhs but I do not know if it has been carried out on any other line. From 1924 the salaries and allowances of higher officers have been further increased under the recommendations of the Lee Commission. These increases to high officials stand in the way of allowing due salaries and wages to the subordinate staff and workmen under the excuse that the operative ratio would go up. The increases in the rates and fares charged to the public are directly due to the excessive ratio of working expenses. It is not explained how this increase was necessary. But on some lines the increase is more noticeable than on others, especially in the Assam Bengal Railway, which is not paying, which shows a deficit of 40 lakhs; and it seems that the percentage of working expenses and the pay of the superior officers on that line was higher than many of the Indian railways. The result therefore is that the working expenses are so high that they cannot earn sufficient profits. There is also great variation in the percentages of profits on several railways. The percentages of profits on broad gauge railways in 1921-22 was as under:

1.19 per cent. on State lines worked by the State, 3.53 per cent. on State lines worked by companies, 12.81 per cent. on branch lines of companies under guarantee terms worked by the main line, 6.90 per cent. on branch lines under rebate terms worked by the main line, 12.37 per cent. on company lines subsidised by the Government of India, 6.62 per cent. on Indian State lines worked by the main lines. Similarly, the percentages of profits on the metre gauge lines were 2.00 per cent. on State lines worked by the State, 4.85 per cent. on State lines worked by companies, 10.43 per cent. on branch lines of companies under rebate terms worked by the main line, 8.59 per cent. on companies lines subsidised by the Government of India, 7.91 per cent. on district board lines, 11.22 per cent. on companies lines guaranteed by Indian States.

While the percentages of profits on the State lines were 1.19, 2.00, 3.53 and 4.85 the profits on the other lines were 6.90 to 12.81 per cent. Why the State lines are so unprofitable is a question which requires investigation. The low percentages clearly point to the high capital outlay and

also to high working expenses. While the capital cost of the State Railways has already gone up to an unprofitable extent the railway administrations are piling up the capital expenditure on the same lines under the convenient name of rehabilitation and improvement of open lines. The large demand for this expenditure has sprung up only during the recent years. Before the war there was no dearth of funds. Railways were getting as much as they wanted under the recommendations of the Mackay Committee of 1908. Yet it is not clear how the Railways have fallen so much behind in this work as to require such large funds for this work now. The normal percentage of working expenses to gross receipts of Railways has been generally accepted at less than 50 per cent. In the contracts made between the years 1890 and 1917 by the Government of India for the working of the branch lines belonging to minor companies, by the main lines worked either by Government or by guaranteed companies, the maximum charge for working expenses was fixed at 44.45 or 50 per cent. of the gross receipts. Between the years 1891 to 1895 the average operative ratio of all Indian railways was 46 per cent. In 1912 it rose to 48.92 per cent. In 1920-21 it jumped up to 65.54 per cent. while some of the main lines showed as high as 75 per cent. Taking 50 per cent. as the normal ratio, it may be reasonably asked that the expenditure on those lines which incur higher percentages should be investigated and subjected to the strictest scrutiny. The present percentage of 65 per cent. is certainly very high. It should be brought down to 52 per cent. if not 50 per cent. and if it is so brought down there will be a great deal of relief given to the Indian tax-payer. There is an insatiable demand from officials in charge of State Railways for inordinate grants for railway expenditure. If the Government of India suggest that, because they did not spend all that was provided for last year therefore they should limit their demand for next year, they are not content. The tendency for such demands was shown before the Acworth Committee in 1920-21 and the convenient phrase of "works of rehabilitation" has been coined to justify these demands. Before the year 1919 there was no such demand and before the year 1914-15 there was no restriction in the railway expenditure on the ground of shortage of funds. Some of the responsible witnesses gave the figures of actual expenditure on betterments and assured the Acworth Committee that under the recommendations of the Mackay Committee of 1908 the Government was providing sufficient money for the wants of the open lines before the war. Capital expenditure should be carefully scrutinized with due regard to final results and economical working of the Railways. I hope the Railway Board are giving sufficient attention to this matter. While we should be anxious to promote railway development to a reasonable extent and under healthy conditions I am certain that the Railway Board understand that it is their duty to the tax-payer that no scheme should be sanctioned, as many of them were sanctioned in the past, unless there is a clear probability that benefit is likely to accrue from those schemes. But it is high time that the salaries of higher officials should be reduced because, unless this is done, it is not likely that the working expenses will go down. It is very well known that the salaries paid to higher officers in the Railway Departments are very high. It is said some times that in England the salaries are even higher. But the average income in England is 20 times as much as it is in India. The better comparison will be to compare what salaries are paid to similar officials in Japan. A friend of mine has kindly sent me a statement showing the salaries given in Japan which it will be interesting to mention here.

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He says that in India in 1923 the actual monthly salaries, not the maximum, of the highest officials were:

	Rs.	In Japan.
Management Dept.	3,000 to 4,000	1,000
Way and Works	2,400 to 3,000	650
Transportation	2,250 to 2,750	650
Rolling Stock	2,000	650
Traffic	2,500	650

The scale of maximum salaries in Japan, converting the Japanese yen at Rs. 1-8-0, is as follows:

	Rs. per month.
Minister for Railways	1,000
Vice-Minister and Engineer-in-Chief	812½
Director, Central Administration	650
Councillors	650
Divisional Superintendents	650
Engineers	750
Private Secretaries	558½
Junior Secretaries	512½
Assistant Engineers	240

Now if we adopted scales of salaries like those, they will suit the conditions in India, but they cannot be adopted unless sufficient training is imparted to Indians to qualify them for both mechanical engineering and the traffic department. For that purpose the arrangements which have been mentioned, though they are welcome so far as they go, do not seem to be sufficient, and I hope that better arrangements will be made and provided for. It is not right that the Government should continue to import such a large number of experts from outside and pay them huge salaries and thereby burden the tax-payer of India.

Now, Sir, when this is the state of things with regard to expenditure and materials it is not surprising that the Indian Railways have not been a paying concern. We are to-day talking of the surplus of 11·25 crores. I am sorry that it can be called a surplus in the Budget, as the phrase is used. It is not really a surplus. We all know that in 1922 the rates were increased and the rates and the fares together brought an additional income of 12½ crores. With this 11·25 crores which is being shown as a surplus this year, we are still nearly 1·25 crores below that standard. If 12½ crores had been raised and if those 12½ crores were applied to wiping off the extra taxation that was put upon the travelling public, then only could we think of talking of a surplus. I do not think that anybody will dispute that while that increase in rates and fares by which the additional income was secured remains to be wiped off, it can correctly be said that there is a surplus in the railway income.

That brings me to the question of the application of this surplus. It seems to me that the Government are bound in the face of that increase in 1922 to apply this surplus to wiping off this additional increase in rates and fares. I cannot understand with what reason, with what justification, this surplus can be applied to other purposes while these rates and fares continue to be what they are. So far as the arrangement made last

September is concerned, I welcome it; so far as the new proposal has been introduced I welcome the opportunity for a better discussion of the Budget; I welcome the presentation of the Budget in the very clear form in which it has been presented. The Honourable the Railway Member and the Honourable Mr. Sim and all those who have worked with him are fully entitled to our gratitude for the manner in which the demands have been presented and papers submitted to the Assembly. But while I fully appreciate and feel grateful for the arrangements made in presenting the railway demands and the Railway Budget, I am not satisfied that the creation of the railway reserve has been quite the right thing. I feel, Sir, that with all the other advantages being secured, the question of whether this reserve should be built up until this additional taxation has been removed is a doubtful one. Secondly, even accepting that arrangement as inviolable for five years, which I do, I submit that the question that is still left to be considered by the Government and the Assembly is, what use should be made of this reserve? If this reserve is to be used, if that surplus is to be used as it is proposed to be used, I submit the arrangement arrived at will be a very objectionable arrangement. But if that arrangement had not been arrived at ordinarily the amount should have been used for wiping off the additional taxation. I do not see why this should not be done even now. It is proposed to contribute 6 crores and odd to the general revenues, and it is proposed to get a reserve of 4 crores and more. Personally speaking, Sir, I submit that it is due to the travelling public that the whole of this amount should be used in the first instance for reducing the fares that were increased in 1922. That will cost, I understand, about 2 crores of rupees. Even the question of rates might be held back so far as an increase of rates is concerned. There might be a Rates Tribunal appointed to consider the matter and report what should be done. But the first charge upon the surplus should be an amount which will be necessary to reduce the fares which were increased in 1920-22. That also brings us to the question of how the future management of the Railways should be carried on. I am glad that in discussing the matter the Honourable the Railway Member has pointed out the reasons why the passenger fares of the first and second class were reduced. He has also stated the reason why the Railway Board have not thought it fit to reduce rates in the case of third class passengers. He says:

"It will be seen that there was progressive increase both in passengers and earning,"

that is, in the case of third class passengers.

"... The annual rate of increase is perhaps slower than it was before the war, and it might be argued that the reduction in fares would pay us by the increase of passengers it would bring us. But in the first place we should be taking risks. If there were no increase of passenger traffic, even a reduction of $\frac{1}{2}$ a pie per mile in third class fares would cost us $4\frac{1}{2}$ crores a year."

I do not think, Sir, that there is any reason to apprehend that the numbers of travellers will not go up. At 5 P.M. mention has already been drawn to the fact that third class passengers have only a Hobson's choice in travelling. First class passengers if they cannot get first class accommodation, can travel second class; second class passengers can travel intermediate; intermediate class passengers can travel intermediate or even third class, but the third class passenger has no other recourse but to travel by third class when he is compelled to do so, and that being so, the Government

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are taking a very unfair advantage of his helplessness by keeping up the fare in this case as it was increased in 1922. Of course the Government can do so, the Railway Board can do so, and this Assembly may support the Government, or even if the Assembly do not support the Government, Government might still do so, but I submit with great respect to everyone concerned that it is an unfair advantage which is being taken of the helpless condition of the third class passenger, and that the keeping up of these fares cannot be justified on any ground of reason or justice. If this view commends itself to the Railway Board and the Members of Government and to the Assembly, I hope that out of the surplus there will be a deduction made to reduce the third class fares; and if that is done, Sir, then it will be time to congratulate the House and the country upon the Railway Budget. As for the other portion of the surplus revenue which has been contributed to the general revenues, on that question I submit that it is no satisfactory state of things that while the Railways should pay so much in order to contribute to the general revenues, if we wipe out this 12½ crores, it will be seen that the Railways are not yet a paying concern, that there will be little profit left to think of a surplus, and that therefore the railway administration will not appear to any advantage; but whatever that may be, I submit that this policy of earning surplus profits by keeping up the burden on third class passengers is a very objectionable one and requires revision. And I hope it will be so revised.

The Honourable Sir Charles Innes (Member for Commerce and Railways): Sir, this debate to-day has covered so many topics that I am quite sure the House will not expect me to deal with each and every point raised, more particularly because very many of the questions which have been raised in to-day's discussion are covered by motions on the paper for reductions. I think the House will agree with me that these questions had very much better be left over for discussion till the connected motions come up. Then we shall be able to discuss these questions individually, and not merely as part of a general discussion. I need only refer to such questions as the Rates Tribunal for instance. There is a definite motion on the paper for a reduction by Rs. 100 of a certain grant in order to raise the whole question of a Rates Tribunal. Sir Purshotamdas Thakurdas discussed this matter in his speech to-day, and I think he will agree with me that it would be very much better to leave that question over until Mr. Ramachandra Rao's motion comes up. May I take this opportunity of thanking Honourable Members for the consideration they have shown in putting down these motions for reduction. I am bound to admit that I think that they are somewhat numerous. Up to yesterday I had 68 of them; I have just been told that 200 more have come in. Most of the 68 which I saw yesterday have a little note to show what point the Honourable Member desires to raise, and I am grateful to Honourable Members for responding to the appeal which I made in that matter.

Now I propose very briefly to refer to some of the more important questions raised by Honourable Members during the course of to-day's debate, and I should first like to refer to what Sir Purshotamdas Thakurdas and others have said about my remark in my speech introducing the Budget that I proposed to make the sort of speech that the Chairman of a Board of Directors would make to his shareholders at the annual meeting. I must confess that I am rather surprised at the amount of interest that

that somewhat harmless remark has aroused. Almost every speaker has referred to it. I should like to assure the House that I quite realize the difference between myself and the Chairman of a Board of Directors. But I would ask them to note the fact that I merely said that that was the ideal at which I hoped we would eventually arrive. Sir Purshotamdas Thakurdas suggested that this House was rather in the position of a Board of Directors than of a meeting of shareholders. Well, Sir, I am not a director in any Company in India nor am I a shareholder in any company in India, and I have never been to a shareholders' meeting in my life, but I do read with great interest the proceedings of company meetings in different parts of India and particularly I may say in Bombay. It seems to me that usually one finds in these meetings that the directors are very much in favour of a conservative policy in regard to dividends whereas the shareholders seem naturally to take a different view and to be always demanding greater dividends than the directors are willing to put up. Now looking at the matter from that point of view I think that this debate shows that I was right in referring to this debate as a meeting of shareholders, for a great many Honourable Members have asked for a greater dividend than we in the Railway Board think it wise to offer. Sir Purshotamdas Thakurdas himself referred to the necessity of keeping the shareholders quiet. Well, Sir, I am inclined to think that many Companies have found it a disastrous policy to keep their shareholders quiet by giving them dividends which the financial condition of the company did not really justify. And, Sir, have we paid our shareholders so bad a dividend this year? I would ask the House to remember that not only are we paying our interest charges amounting to over 20 crores of rupees but we are paying to general revenues in the country no less than 685 lakhs of rupees—a gross contribution of 685 lakhs of rupees—and it seems to me that that is for the first year of working of this new system a very good dividend. It has been suggested that we should go further, that we should dissipate the small reserve, the nucleus of a reserve, that we are just beginning to build up, by reducing the third class fares. The Honourable Pandit Madan Mohan Malaviya referred to the increase of these fares in 1920, 1921 and 1922 as additional taxation. Sir, I do not think the Honourable Pandit could have read his Acworth Committee's Report, for the increase in fares in 1921-22 was based on a definite recommendation of the Acworth Committee, who pointed out that that increase was long overdue. It is not taxation at all. The Railway Department are in the position of selling certain services. Now the cost of these services has gone up. But why? If they have gone up, it is no good saying that we are increasing taxation, that our increase of fares is absolutely unjustifiable. The Honourable Pandit I think forgot that there had been the great war. Now let me give just one instance to show that our increase of rates at any rate in one instance is not unjustified. I happen to have this instance in my head because I quoted it the other day at the meeting of the Associated Chambers of Commerce in Calcutta. (*Pandit Madan Mohan Malaviya*: "What is the proportion of increase due to higher salaries?") At the Associated Chambers of Commerce it was put to me that we ought to reduce our long-distance coal freights, and I looked up the thing. I did not give them the figures in the terms of pies per maund per mile; I thought the best way I could present those figures was to give them the actual coal freights from Jharia to certain upcountry stations—Cawnpore, Lahore, Karachi, Bombay, Ahmedabad, I think those are the stations I took. Now I gave the coal freights to these selected places, coal freights in 1919 and at the present time, and these freights

[Sir Charles Innes.]

showed an increase of 30 per cent. Moreover, those freights had been in force, had remained unchanged from 1905 to 1919. Thus the fact is that we are now charging 30 per cent. more than we were charging in 1905. And I was able to ask the members of that body, the Associated Chambers of Commerce, which includes many captains of industry in India, I was able to ask them whether they could get up and lay their hands on their heart and say whether they sold their goods at prices only 30 per cent. in excess of the prices of 1905, and they were silent. I am sure that everyone here would be silent if I asked them whether they could say that they were selling their goods at prices only 30 per cent. in excess of those in 1905? I brought out this point, because there is a great deal of misconception about high railway freights on coal because it is the most important article we are carrying on our Railways, and I was able to show by figures that our freights to those particular places were only 30 per cent. in excess of what they were 19 years ago. The actual prices at the pit's mouth have risen by something like 150 per cent. Now we are the largest users of coal in India. We use in the Railways something like six million tons of coal a year, and in spite of the immense increase in the price of coal, we have been able to keep our increase down to 30 per cent. in coal freights, and I believe it is the same in most of our railway freight rates. I believe the average increase in our freights is about 25 per cent. and the average increase in third class passenger fares is about a third, and yet everybody must admit that our running costs—whether on the things we import, or on the things we buy in India—have gone up enormously since the war, and so I do hope that people will get rid of their suspicion that our fares are unduly high. I am quite prepared to admit, especially as regards fares, and goods freights too for that matter, I should like to show a reduction. But we are working with the full approval and consent of this House; we are making an attempt to run our Railways now more on commercial lines. Is there any business man in this House who is prepared to say that a reserve which represents a fraction of one per cent. of our capital at charge, which represents 4 per cent. of our gross earnings this year, is too much? Sir Campbell Rhodes told you that it was hardly worth talking about. Surely when we have started with this scheme, the right thing to do is to build up our reserves and at the same time to go on with that work which we do propose to take up provided the Railway Finance Committee agrees with us, I mean the work of making special arrangements in order to increase the number of third class carriages. Supposing we have on our reserves a little bigger sum. When we are perfectly satisfied that we have got accommodation to carry increased traffic, then will be the time for us to take up the question of making reductions in third class passenger fares. The reduction would not be worth making unless it would bring in increased traffic, and we must be sure that, when that increased traffic comes, we shall be able to cope with it. But our position now is just the opposite. We know that if that increased traffic did come on we should not be able to carry it, and therefore the reduction in third class fares would merely mean a dead loss which we could not afford. Sir Campbell Rhodes suggested that the amount of our contribution was too high, and Mr. Jamnadas Mehta also took the same point. Well, Sir, I am prepared to admit that it is a rather big contribution to take from our commercial lines, namely, 685 lakhs in one year. My private opinion is that it is probably a bit too high, but at the same time we felt—I am not complaining for a moment—we in the Railway Board felt, we attached so much importance to the reform of separa-

tion that we were prepared to pay the price, and we stand by our bargain. Time alone can show whether or not the contribution is too high. But I would point out to Sir Campbell Rhodes and to Mr. Jamnadas Mehta that this convention is not fixed, it is not unalterable for ever. It is definitely understood that the convention in the first instance is purely experimental, and that after a term of years, it will have to be reconsidered, and when we do come to reconsider it, then the House will have an opportunity of deciding whether or not they are taking too much out of the commercial lines. Of course, if they are taking too much, then in a way they are defeating their own object. If their object is to improve services and reduce the freights and fares, then the more you take out of us the less comes back to us for distribution in that direction, but that, as I say, is a question which can be left over until we revise and reconsider the present convention in the light of the experience we gain during the currency of that convention.

Sir Campbell Rhodes also raised another important question. He wanted an explicit statement as to the position of Agents under the new régime. I am afraid, Sir, Sir Campbell Rhodes did not work up his case with that care which we are accustomed to see in the speeches he makes, because in the Administration Report for 1923-1924, we did try to make an explicit statement of the attitude which we tried to adopt towards Agents in this new régime. We said that:

"the new method of dealing with work and fulfilling the obligations and responsibilities of the Railway Department which have accompanied the adoption of the present organisation is in accord with the underlying recommendations of the Acworth Committee and is endorsed by the recommendations made by the Inchcape Committee in paragraphs 33 to 35 of their Report. . . ."

The Inchcape Committee said that:

"the Agents should be made responsible for the administration, working and financial results of their railways and should be free to conduct their undertakings on a commercial basis."

The passage is a long one, and I will not weary the House by reading it in full. But I will commend it to the attention of my Honourable friend Sir Campbell Rhodes. We are constantly trying to get rid of what we think is superfluous work in the Railway Board and superfluous references to the Railway Board. We are trying to give the Agents a freer hand in all matters of detail, though in all matters of railway principle and railway policy we naturally do keep control up here, that is, in matters of standardization, programmes and the like. That is our policy at the present moment, and I do not think that Railway Agents have anything to fear either from the Railway Member or from the Railway Board. But of course the matter is not entirely in the hands of the Railway Member or the Railway Board. The matter is complicated, among other things, by the existence of this Assembly, and as some Honourable Members noted in the course of their speeches, whatever we may propose in the Railway Board, that may be altered by a strong expression of views on the part of the Assembly. But I do not wish to go again into that very controversial matter. I should however just like to refer to what Mr. Jamnadas Mehta said on that point. He laid down a principle which seems to me to be the correct solution. He said that the line of demarcation between the Assembly's duties and the railway administration was a very clear one, and that the Assembly ought definitely to refrain from interfering with matters of petty administrative detail and should confine itself to questions of policy and finance.

Mr. V. J. Patel (Bombay City; Non-Muhammadan Urban): That is when you are responsible to the House, and not at present.

The Honourable Sir Charles Innes: Mr. Mehta did not say that. I should like to say that I think that the principle laid down by him is absolutely sound. That is all I meant when the other day I suggested in this House that it would be well advised if it refrained from interfering with details of administration. I did not mean in any way to cast any aspersions upon the wisdom or dignity of this Assembly at all. I was really basing my observations upon known experience in other countries of the world, and that experience has always taught the representative Assembly that, if they do trespass beyond the sphere which they really ought to confine themselves to, and if they do interfere with the details of railway management, they invariably end by making their own railways a charge upon the State. However, I don't propose to say anything more upon that subject to-day.

Sir Campbell Rhodes also made a reference to branch line policy. That question is one of those questions which we will deal with in greater detail later on in the week but I just want to dispute the correctness of a remark made by Sir Campbell Rhodes. He said that in my speech introducing this Budget I made a rather cavalier reference to private enterprise. I deny that I did anything of the sort. I merely made a statement of fact. I said I was quite certain that our new policy in this matter would not lead to any slowing down of construction and I pointed to the fact that we had either on our programme or actually under construction lines that would cost us 44 crores of rupees, and I pointed out that these lines were going to cost us four times as much as all the capital raised by branch lines companies since the branch line terms were invented in 1890, that is 34 years ago. That I presume is what Sir Campbell Rhodes called my cavalier reference to private enterprise. Sir Campbell Rhodes also objected to our system of guarantees by Local Governments. Now, Sir, Local Governments unfortunately for Sir Campbell Rhodes hold a different opinion from the Honourable Member. The Local Governments have generally approved of this new policy. It has already led to the construction of two new lines and we have got several other applications for the construction of lines for Local Governments under these guarantees under consideration at the present moment.

Then again, to finish with the Honourable Member from Bengal, he raised the question of the Howrah Bridge. I must say I admire his ingenuity in bringing the question of the Howrah Bridge into the Railway Budget. He referred to a veiled threat by the Chief Commissioner in the Council of State. And he then went on to say that Bengal expected the Railway Board to do its duty in this matter and to be alive to its responsibility in regard to a bridge over the Hooghly at Calcutta. Well, Sir, we do take the very greatest interest in this bridge and we have done our best to assist in financing this bridge. I think that a Bill has been introduced in the Council which contains certain clauses which could not have been entered in that Bill without the previous sanction of the Governor General. But, Sir, though I appreciate the implied compliment in the Honourable Member's remark, namely, that if you want anything done you must go to the Railway Board, I must confess I do think that this question of the Howrah Bridge is a question primarily for settlement at Calcutta and by the Bengal Legislative Council. Here, Sir, we have a city which

pace the Honourable Members opposite claims to be the second city in the Empire. They have got one bridge over the river which bisects their town in half. That bridge is in a very dangerous condition and it seems to me that it is up to the second city in the Empire to find the means to put a proper structure over their bridge with the least possible delay.

I come now, Sir, to Mr. Ramachandra Rao's suggestions about procedure. Personally, I am in entire sympathy with his suggestion that we should try to get some continuity of personnel upon the Railway Finance Committee because it is perfectly true, as the Honourable Member said himself, that the Members of that Committee should soak themselves in railway matters and the longer they are on it the more useful they are likely to be to the Railway Board. We recognised that when we were discussing the establishment of the Committee and we did have some idea of making that very proposal to the House. But precedents are against it. It is an established practice in this House that the Standing Finance Committee and the Public Accounts Committee should be re-elected from year to year and we did not think it advisable to traverse this precedent in any way. But I think that the Honourable Finance Member will agree that there is a great deal to be said for the suggestion and the Honourable Member may rest assured that we will consider it. As regards the Railway Advisory Committees, he complained that there was not enough information about them. Well, I should just like to explain that the constitution of these Railway Advisory Committees, before they were constituted, was considered very carefully with the Central Advisory Committee and that our suggestions, which we communicated to all Railway Administrations, on the subject were based upon the recommendations of the Central Advisory Council. We stated that they should be composed as follows:

- 2 members nominated by the Local Government;
- 3 representatives of the Legislative Council of the Local Government in whose jurisdiction the headquarters of the railway was situated;
- These members should be selected to represent rural interests, and the travelling public;
- 1 member of the local municipality or corporation; and
- 5 members representing industries, commerce and trade.

That is the suggestion we sent out to Railway Administrations regarding the constitution of these bodies. But the Honourable Member also complained that he did not know enough about the work done by these bodies. Well, we made a suggestion which I think has been carried out by almost every Agent that the proceedings of the Railway Advisory Committee should always be sent to the press, and I myself have frequently seen reports of them in the press. I also think that we place copies of the proceedings of these Committees in the Library. If we do not already do so, I will see that that is done in the future. And Mr. Ramachandra Rao also raised a very important question about subsidiary transport facilities. That I agree is a question of great importance but we will no doubt discuss it in greater detail when we come to Mr. Rangaswami Iyengar's motion regarding district boards railways on Demand No. 1. I may mention that we have had a reference from the Government of Madras on that very subject which we are now considering.

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I do not propose to follow my Honourable friend, Mr. Neogy, into his disquisition about State *versus* Company management. I have already made more speeches on that particular subject than I would care to remember at the present moment. But I do wish to say one thing in regard to what Mr. Neogy said on this subject. Mr. Neogy said that he was afraid that State management was not being tried under the best auspices at the present time in India because he believed that the Railway Member, that is myself, was a disbeliever in State management, and he believed that the Railway Board were also disbelievers in State management. Well, Sir, Mr. Neogy frequently talks about the mentality of the Honourable the Commerce Member. I must say that I do not think Mr. Neogy understands the mentality of any Englishman or any Scotsman for that matter—I being a Scot. That policy is the accepted policy of the Government of India. I am the servant of the Government of India—the Railway Board is the servant of the Government of India, and since that policy is laid down for us, it is for us to work that policy to the very best of our ability. And that is what we do. I must say I was rather hurt at his remark. I know how hard we are working in the Railway Board. I know how hard Mr. Hindley and Mr. Sim and the other members of the Railway Board work. And we work merely because it is our job and the House may depend upon it, whatever our private feelings in the matter may be, we shall do our very best to make this State management a success. I would also like to explain that I have got no feelings against State management as such. In fact, quite privately, I think I should like State management because I should be able to have my own way more. But the reason why some of us are so distrustful of State management is the experience of State management in other countries. As I have said, every democratic country in the world has made a mess of State management and that is why we are afraid of it in India. That is why we welcome so much this separation of railway finance from general finance. As the House will see from the Budget that I am putting forward, it does not interfere or weaken its control over the Budget in any way at all but it does mark a new point of view towards Railways. It shows that the House regards Railways as a commercial proposition to be run as such, and we take very great comfort from that fact. I do hope that Mr. Neogy will be under no illusions on this point in future and that he will be under no suspicion that because we are distrustful about State management, therefore we do our best to make a mess of it.

Mr. Joshi asked me a direct question about wagons. He wanted some assurance that we are making proper use of our wagons, and that we should not buy new wagons unnecessarily. I should just like to give him the following figures. On Class I Railways in America every wagon moves on an average 26.68 miles a day. In India, on the East Indian Railway, every wagon moves on an average 41 miles per day, on the Great Indian Peninsula Railway, it moves on an average 46 miles per day, on the North Western Railway 37 miles per day, and on the Madras and Southern Mahratta Railway 46 miles per day. Those figures show that we are getting a better user from our wagons in India at the present time than they are getting in America.

Mr. Jamnadas Mehta, to whose speech I have already referred, said that he wanted more time for the work of the Railway Finance Committee

and more meetings. All I can say on that subject is this, that by the time my Honourable friend Mr. Sim has done with Mr. Jamnadas Mehta and the Railway Finance Committee this time next year, I am quite sure that he will not complain of not having had enough work, because I am quite sure that Mr. Sim will make the fullest possible use of the Railway Finance Committee throughout the year. I have already said in my introductory speech that though we wanted to spread the Budget work over a longer period this year, we could not do so. We had to cram it into the last month. We will do our very best to spread it over a longer period next year than this year.

The Honourable Member also raised the question of the relations of the Railway Board with the Secretary of State. The question of further delegation from the Secretary of State to the Railway Board has already been taken up. We delayed addressing the Secretary of State until we got the separation through. I hope we shall be in a position to address him very shortly upon this subject.

I do not propose to take up the points he raised about the allocation between capital and revenue because these again are points which are covered by motions which he himself has put down on the paper. But I should like to challenge what the Honourable Member said about the provision for third class passengers having dwindled down to very small proportions. It is very difficult to say that any particular improvement is destined for any particular class of passengers, as the Honourable Member himself indicated when he went through our list. The amenities for third class passengers, he pointed out, will not be confined to third class passengers. Of course they will not. But more than 90 per cent. of our passengers are third class and naturally they will get most value out of these amenities. But the point that I would like to make is this. We are spending a great deal of money at the present time—we have been for some years past—in improving and extending the capacity of our Railways. When you extend the capacity of your Railways, it means that you can run more trains. When you can run more trains it will mean that you will be relieved from what is said to be one of the worst grievances of the third class passenger, namely, the congestion in third class carriages. If you look at it in that way, you will find that a very large proportion of our expenditure on rehabilitation, though it is impossible to ear-mark it specifically for third class passengers, will benefit the third class passengers probably more than any other classes of passenger. The Honourable Member referred to the very heavy responsibility that lies on me in this matter. I am accustomed to responsibility. I have had it for quite a long time now, and when in September next year I shake the dust off India for good and retire to my little cottage at home, and when the chapter is written about the improvement of amenities for the third class passenger, I shall not fear comparison with the record of any of my predecessors in the Railway Department, for I believe that in the last five years we have done more for the third class passenger than in any previous five years of railway history. I do not claim credit for it myself. I am quite prepared to admit that I acted on the spur of this Assembly. But at any rate I believe that to be a fact.

I will not follow Mr. Bipin Chandra Pal in his remarks about the extension of railways. My own belief is that it is right to extend your railways, provided you can get the money, wherever you see the prospect of building a remunerative railway. I should like the Honourable

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Member to bear in mind that before we decide to embark upon the construction of any railway, we examine with the greatest possible care the financial prospects of that railway. We did not construct unremunerative lines except for very special and exceptional reasons, and it is in regard to unremunerative railways that the guarantee from Local Governments comes in. Most of the railways in our programme are railways in which we are satisfied that the construction will be remunerative and I have no fears myself in regard to this policy at all. I am perfectly sure that it is the right thing for India to do. I am perfectly sure that building railways and more railways whenever we can see remunerative lines is the best way of improving India's trade and India's industries.

Mr. Pal asked that Indians may be trained in railway workshops not only for railway work but also for ordinary engineering work. I think I am correct in saying that under the system of technical training which is now in force in Calcutta, the railway workshops both at Lilloah and Kanchrapara are used for the practical training of apprentices whether they are apprentices coming in for railway work or not, and I should like also to explain to him that the Chandausi School is merely a transportation school. We have other arrangements for training men for engineering and other branches and we have our proposals now in regard to training men for the loco and carriage and wagon departments. As I explained in my introductory speech, these proposals have just been worked out by the Railway Board and I hope to discuss them before this session is over with the Central Advisory Committee. We are dealing not merely with the transportation or rather the traffic department but we are dealing with every department of railway work.

I do not think that I have anything more to say, but I should like to make just one brief reference to the Honourable Pandit Madan Mohan Malaviya's speech. As far as I can judge from his speech, the Honourable Pandit's acquaintance with the literature of Indian Railways ends with the Inchcape Committee Report of 1922-23. He did not seem to have studied with that care which I should have expected from the Pandit our own Administration Report for 1923-24. If he had that report he would have saved himself from making many serious misstatements. For instance, he would have found that we have carried out the recommendations of the Inchcape Committee in regard to excessive staff by effecting during 1923-24 a reduction in staff amounting to Rs. 84 lakhs.

I think, Sir, that is all I have got to say. I thank those Honourable Members of the House who have made kindly references to this first Budget which I have been privileged to present. I am quite sure myself that we are going to get more and more advantage every year from this new procedure. This is the first time that the Railway Department have ever been able to put before this House a connected statement of their case. Before this year we merely put before the House a large mass of figures and then we stood by while the House was picking holes in those figures. In this year we have tried to put before the House a connected statement of the Railway case, and the discussion to-day has been useful in that it has raised many questions of general policy which cannot suitably be brought up during the demands for grants.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 24th February, 1925.

LEGISLATIVE ASSEMBLY.

Tuesday, 24th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

ELECTIONS TO PANELS OF STANDING COMMITTEES.

Mr. President: The Assembly will observe that there are elections for five Committees set down after questions to-day. These elections will take some time; and therefore I propose to ask the Secretary to instruct his assistants to hand the five ballot papers to each Member present in the Chamber during question time, so that the election can take place immediately after questions with as little expense of time as possible. The papers when duly marked can be placed in any of the five boxes on the table.

QUESTIONS AND ANSWERS.

RAILWAY CONNECTION BETWEEN REENGUS AND CHARKHIDADRI.

988. ***Lala Duni Chand:** (a) Will the Government be pleased to state if there is any proposal to connect Reengus (a place in Jaipur State) and Charkhidadri (a place in Jind State) by constructing a new railway line?

(b) Have the Government considered the question of connecting Reengus with Bhiwani in the Hissar district instead of with Charkhidadri? If not, do Government propose to do so?

Mr. G. G. Sim: (a) There is no proposal before Government to build a new railway from Reengus to Charkhidadri.

(b) Government have not specifically considered this particular connection but they have under consideration the general question of railway development in the area lying west of Delhi.

RAILWAY CONNECTION BETWEEN BHIWANI AND RAJPUTANA.

989. ***Lala Duni Chand:** (a) Are Government aware of the fact that there is no direct railway line connecting Bhiwani (an important centre of export trade for Rajputana) with Rajputana and this causes a good deal of inconvenience in exporting goods to Rajputana?

(b) Are the Government prepared to propose to the Railway Board to connect Bhiwani with Churu or any other suitable place in Rajputana?

Mr. G. G. Sim: (a) The railway connections of Bhiwani with Rajputana are reasonably good either through Hissar or through Rewari though they are not quite direct. Government are not aware that any appreciable inconvenience to trade exists.

(b) In considering railway developments in the country lying west of Delhi the position of Bhiwani will not be overlooked.

RAILWAY CONNECTION BETWEEN BHIWANI AND ROHTAK.

990. ***Lala Duni Chand:** (a) Was it at one time proposed to connect Bhiwani with Rohtak by rail but the proposal has been abandoned since then?

(b) Will the Government please state the reasons for abandoning the proposed project?

(c) Are Government aware of the fact that there is a good deal of goods and passenger traffic between Bhiwani and Rohtak and the absence of a railway line connecting the two causes a good deal of inconvenience and trouble to the public?

(d) Are Government also aware of the fact that the shortest route from Bhiwani to Delhi is *via* Rohtak but owing to there being no railway line between the two places this route is not availed of either for the goods traffic or for the passenger traffic purposes and instead thereof a round-about, long and costly route *via* Rewari is resorted to by the public?

(e) Are the Government prepared to ask the Railway Board to take steps to construct a new line between Bhiwani and Rohtak?

Mr. G. G. Sim: The project for a railway between Bhiwani and Rohtak is under the consideration of the Railway Board in connection with the general question of railway extensions in the area west of Delhi, but no final decision has yet been arrived at.

NORTH WESTERN RAILWAY SLEEPER CONTRACT.

991. ***Lala Duni Chand:** With reference to the private question put by Mr. Chaman Lall on 10th September, 1924, regarding the North Western Railway Sleeper Contract, and the reply thereto, will the Government be pleased to lay on the table a copy of the advice received from the Central Advisory Council and also a copy of their final decision in the matter as promised in the reply?

Mr. G. G. Sim: The Honourable Member is referred to the statement made by the Honourable Sir Charles Innes in this House on the 22nd January, 1925.

CONTRACT WITH THE IMPERIAL BANK OF INDIA.

992. ***Mr. T. C. Goswami:** (a) Will Government be pleased to lay on the table copies of all contracts entered into with the Imperial Bank of India?

(b) Will Government be pleased to state what modifications have been made in practice in the arrangements which have been embodied in the Imperial Bank of India Act?

The Honourable Sir Basil Blackett: (a) The Honourable Member is referred to pages 4673 to 4677 of Legislative Assembly Debates, 1923, Volume III, No. 76, in which the only contract entered into with the Imperial Bank of India, namely, the agreement, dated the 27th January, 1921, is printed.

(b) No departure from the arrangements provided for in the Imperial Bank of India Act can be made unless the Act is amended.

EMPLOYMENT OF AN INDIAN AS ONE OF THE MANAGING GOVERNORS OF THE IMPERIAL BANK OF INDIA.

993. ***Mr. T. C. Goswami:** Will Government be pleased to state:

- (a) on what basis they make the appointment of Managing Governors of the Imperial Bank?
- (b) whether they have considered the necessity of appointing an Indian as Managing Governor of the Imperial Bank?
- (c) if not, why not?
- (d) in what period of time hereafter do they expect that they would be able to find a qualified Indian to occupy this position?
- (e) what steps are Government taking towards this end?

The Honourable Sir Basil Blackett: (a) to (e) The Honourable Member is referred to the answers given on the 30th ultimo, in reply to a question by Mr. K. C. Neogy on the same subject.

ISSUE OF CURRENCY TRANSFERS OR SUPPLY BILLS TO THE PUBLIC.

994. ***Mr. T. C. Goswami:** Will Government be pleased to state whether they have undertaken not to issue currency transfers or supply bills to the public between any two places in which a local Head Office or a branch of the Imperial Bank is situated?

The Honourable Sir Basil Blackett: The answer is in the affirmative.

CONSTITUTION OF THE CENTRAL GOVERNING BOARD OF THE IMPERIAL BANK OF INDIA.

995. ***Mr. T. C. Goswami:** Will Government be pleased to state:

- (a) what is the constitution of the Central Governing Board of the Imperial Bank of India?
- (b) how many meetings did they hold in the year?
- (c) what powers do they exercise in actual practice?
- (d) whether it is not true that the powers are exercised by the Managing Governors in consultation with the Finance Member and not by the members of the Central Board?

The Honourable Sir Basil Blackett: (a) The Honourable Member is referred to section 28(1) of the Imperial Bank of India Act, 1920.

(b) In accordance with section 42(1) of Schedule II of the Imperial Bank of India Act, at least four meetings of the Central Board must be held each year. This number is usually exceeded.

(c) and (d). The Honourable Member is referred to the provisions of the Imperial Bank of India Act, which lays down the powers of the Central Board. These provisions are followed in practice.

USE OF GOLD MINED IN MYSORE FOR INDIAN PURPOSES.

996. ***Mr. T. C. Goswami:** Will Government be pleased to state:

- (a) what steps they have taken to secure that the gold mined in Mysore is used for Indian purposes, i.e., for reserves or for being minted into sovereigns in India?
- (b) are there any difficulties?
- (c) whether they will lay on the table any correspondence that they had with the Secretary of State during the last ten years on the subject?

The Honourable Sir Basil Blackett: (a) and (b) In May 1919 the Government made contracts with the Indian Gold Mining Companies and the Hutti (Nizam's) Gold Mines Limited, to purchase half of the output of their mines for a year. Later the contract with the former was renewed for another year. Since the expiration of these contracts the Government have not required any gold either for reserves or for minting. When the necessity for purchasing gold again arises the question of securing gold mined in India will be considered.

(c) The answer is in the negative.

MANUFACTURE OF CIGARETTES IN INDIA.

997. ***Mr. T. C. Goswami:** (a) Will Government be pleased to state the number of factories manufacturing cigarettes in India?

(b) Can they explain why the manufacture of cigarettes in India is not showing any signs of improvement and the importation of foreign cigarettes is on the increase in spite of the heavy duty which is imposed on foreign cigarettes?

The Honourable Sir Bhupendra Nath Mitra: (a) I would refer the Honourable Member to page 24 of the latest issue of the Commercial Intelligence Department's publication entitled "Large Industrial Establishments in India" a copy of which is in the Library.

(b) The Honourable Member has got his facts wrong. The imports of cigarettes have fallen since 1922, and not increased.

RESERVATION OF THE COASTING TRADE IN INDIA TO INDIAN VESSELS.

998. ***Mr. T. C. Goswami:** Will Government be pleased to lay on the table the correspondence they had with the Secretary of State with regard to the reservation of the coasting trade in India to Indian vessels?

Mr. G. G. Sim: The Government of India do not propose to place this correspondence on the table.

MANUFACTURE OF MACHINERY IN INDIA.

999. ***Mr. T. C. Goswami:** Will Government be pleased to state:

- (a) how many factories there are for the manufacture of machinery in India?
- (b) is it true that whereas a complete machine imported in India is subjected to a duty of $2\frac{1}{4}$ per cent. *ad valorem*, the chemicals and all other ingredients used in casting are liable to a higher duty?
- (c) have Government considered the advisability of encouraging the manufacture of machinery in India by bounties?
- (d) Will Government be pleased to call for an authoritative report on this subject pointing out which class of machinery and in what quantity would be so manufactured in India if the bounty scheme was decided upon?

Mr. G. G. Sim: (a) Government have no information.

(b) Machinery falling within the terms of item 51 of the Schedule to the Indian Tariff Act, is subject to a duty at $2\frac{1}{4}$ per cent. Articles used in the manufacture of machinery are either free or subject to varying rates according to the items of the Tariff under which they fall.

(c) No.

(d) Does not arise.

PROTECTION OF INDIAN INDUSTRIES.

1000. ***Mr. T. C. Goswami**: Will Government be pleased to state:

- (a) how many industries applied to the Department of Commerce for assistance, for protection or for their case being investigated by the Tariff Board, and what those industries were?
- (b) how many of these industries have been already dealt with by the Tariff Board?
- (c) how many more remain to be dealt with?
- (d) in what period of time it is expected that the Tariff Board would find leisure to consider these other industries?

Mr. G. G. Sim: A statement is laid on the table. The Tariff Board is conducting its inquiries as expeditiously as is compatible with thoroughness.

LIST OF INDUSTRIES WHICH HAVE APPLIED TO THE DEPARTMENT OF COMMERCE FOR ASSISTANCE, FOR PROTECTION OR FOR INVESTIGATION OF THEIR CASE BY THE TARIFF BOARD.

A.—Industries which have applied for protection.

<i>Name.</i>	<i>Remarks.</i>
1. Steel.	} Disposed of.
2. Locomotives.	
3. Sulphuric acid.	
4. Cement.	} Under inquiry. Reports are expected from the Board shortly.
5. Paper and Paper Pulp.	
6. Printers' Ink.	
7. Magnesium Chloride.	
8. Imitation leather and oil cloth.	
9. Marble tiles.	
10. Coal.	
11. Sulphates and acids.	
12. Matches.	
13. Gold Thread and other allied goods.	
14. Cement flooring tiles.	

B.—Industries which have complained that the duty on the manufactured articles is lower than the duty on the materials imported and largely used for their manufacture.

<i>Name.</i>	<i>Remarks.</i>
1. Electric wires and cables.	} It is proposed to remit most of these to the Tariff Board as soon as the present inquiries are completed which is likely to happen very shortly.
2. Machinery.	
3. Sprinklers.	
4. Brass and copper manufactures.	
5. Hastings and camel hair beltings.	
6. Cotton canvas Ply Elevator Belts.	
7. Leather belting.	
8. Galvanised steel poles and galvanised hardware.	
9. Brasses and Brass work for machinery.	
10. Carriage underframes and parts of wagons.	
11. Hackles, panel pins, tacks, rivets, etc.	
12. Insulating material.	
13. Brass and gunmetal water and steam fittings.	

C.—*Industries which have complained that the duty on the manufactured articles is equal to that on some of the materials imported and largely used for their manufacture.*

<i>Name.</i>	<i>Remarks.</i>
1. Essential oils.	
2. Manila Ropes.	
3. Tea chests and 3-ply wood.	
4. Aluminium articles.	
5. Hosiery.	

NEW INDUSTRIES STARTED AFTER THE WAR.

1001. ***Mr. T. C. Goswami:** (a) Have Government called for any report with regard to the new industries which were started in India after the war and the manner in which they have suffered and how many of them survived?

(b) Have they any communications from Provincial Governments on this subject?

(c) Will Government be pleased to lay them on the table?

The Honourable Sir Bhupendra Nath Mitra: (a) and (b). The reply is in the negative.

(c) Does not arise.

NEW TAXES IMPOSED BY THE CENTRAL GOVERNMENT SINCE 1914.

1002. ***Mr. T. C. Goswami:** (i) Will Government be pleased to state what new taxes have been imposed on India since 1914 by the Central Government?

(ii) Will Government be pleased to state whether they are still acting in the matter of taxation on the assumption that the war added to the prosperity of the country as was claimed in certain speeches made by higher officials in the post-war period?

The Honourable Sir Basil Blackett: I would invite the Honourable Member's attention to the reply given by me to Mr. K. C. Neogy's question No. 406 which appears on page 372 of the Assembly Debates of the 28th January 1925.

PROPERTIES PURCHASED BY GOVERNMENT FROM THE ALLIANCE BANK OF SIMLA.

1003. ***Mr. T. C. Goswami:** (a) Will Government be pleased to state what properties of the Alliance Bank were purchased by Government and for what purpose?

(b) Whether the price paid was the market price, and, if so, how was this price determined, by auction or by tenders or by private negotiations?

The Honourable Sir Basil Blackett: I have no information of any such purchases.

EXPENDITURE ON THE TAXATION INQUIRY COMMITTEE.

1004. ***Mr. T. C. Goswami:** Will Government be pleased to state:

(a) what expenses were incurred by Sir Charles Todhunter when he was in Europe from April 1924 onwards in connection with the Taxation Inquiry Committee?

- (b) what other expenses in connection with this Committee have been incurred up to date?
 (c) when do Government expect that Committee to submit its report?
 (d) how much more money will be wanted?

The Honourable Sir Basil Blackett: (a) About £29.

(b) The total expenditure incurred up to 20th February 1925 amounts to Rs. 1,08,000 approximately.

(c) The Committee hope to complete their report by 1st November 1925.

(d) It is expected that the total expenditure during the current and next financial years, including the amount in (b) above will be about 4½ lakhs.

BRITISH AND INDIAN OFFICERS HOLDING KING'S COMMISSIONS.

1005. ***Mr. T. C. Goswami:** Will Government be pleased to state:

- (a) what is the total number of military officers enjoying the King's commission in India at present?
 (b) what was the number on 1st of April 1914 on the same basis and on the same date during each of the following ten years?
 (c) what was the number of Indians amongst these for each of the figures stated?

Mr. E. Burdon: If, as I assume, the Honourable Member is referring only to officers holding the King's commission in the Indian Army, the following is the reply to his question:—

(a) The total number of officers at present holding permanent commissions in the Indian Army is 3,439.

(b) and (c) I lay on the table a statement giving the information desired by the Honourable Member in respect of the years 1914—1917 and 1919—1924. The information required in regard to the year 1918 is not, I regret to say, available.

Mr. Chaman Lal: What are the latest figures in regard to them?

Mr. E. Burdon: The latest figures I have got are for the year 1924. They are included in the statement which I lay on the table.

Statement showing the number of British and Indian officers with the King's commission in the Indian Army since 1914.

				Number holding permanent commissions.	Number of Indians.
On the 1st April 1914	.	.	.	3,014	Nil.
" " 1915	.	.	.	3,495	Nil.
" " 1916	.	.	.	3,109	Nil.
" " 1917	.	.	.	3,767	Nil.
" " 1919	.	.	.	4,976	Nil.
" " 1920	.	.	.	5,660	10
" " 1921	.	.	.	6,162	18
" " 1922	.	.	.	5,765	30
" " 1923	.	.	.	4,337	65
" " 1924	.	.	.	3,727	72

REDUCTION OF MILITARY EXPENDITURE.

1006. ***Mr. T. C. Goswami:** Will Government be pleased to state:

- (a) what effective retrenchment they have made in army charges for each of the last three years?
- (b) to what amount do they expect to reduce the military figure during the next few years and by what stages?

Mr. E. Burdon: (a) and (b). In reply to this question, I would ask the Honourable Member kindly to wait for the statements which will be made by the Honourable the Finance Member and His Excellency the Commander-in-Chief in the course of the budget discussion. He will find in those statements all the information that he requires.

BALLOT FOR PANELS OF STANDING COMMITTEES.

Mr. President: Before we come to the next question, I may point out that those who are now marking the ballot papers should note the withdrawal of Mr. S. Sadiq Hasan from the list of candidates for the Panel for the Committee in connection with the Department of Education, Health and Lands. That leaves only nine names on the ballot paper: and as only nine are wanted, there will be no election for that Committee. Members will kindly take notice that they need not mark the ballot paper for the Panel for the Department of Education, Health and Lands.

I further understand that Sir Gordon Fraser has withdrawn his name from the list of candidates for the Panel for the Departments of Commerce and of Industry. From both the ballot papers therefore—the ballot paper relating to the Department of Commerce and the ballot paper relating to the Department of Industries and Labour—Sir Gordon Fraser's name is to be struck out.

QUESTIONS AND ANSWERS—*contd.*

REPLACEMENT OF REGULAR UNITS IN THE ARMY BY LOCALISED UNITS.

1007. ***Mr. T. C. Goswami:** (a) Will Government be pleased to state what attempts they are making to secure a cheaper army in India on the basis of voluntary service confined to various localities?

(b) Will they be pleased to state the progress, if any, made in this direction during the last three years?

Mr. E. Burdon: The question of creating a certain number of localised units, to replace regular units in the army, has been examined by Government; but the suggestion has been found to be open to such serious objection that it has not been considered practicable to adopt it.

ESTABLISHMENT OF EUROPEAN AND INDIAN SOLDIERS IN INDIA FOR CERTAIN SPECIFIED YEARS.

1008 ***Mr. T. C. Goswami:** (a) Will Government be pleased to state the number of European soldiers in India and the number of Indian soldiers from the 1st of April, 1914, and for the same date for each of the succeeding ten years?

(b) Will Government be pleased to state why they have not decided to reduce the costly European element and to substitute Indian units for it?

Mr. E. Burdon: (a) I lay on the table a statement giving the information desired by the Honourable Member for the years 1914, 1918 and 1920 to 1924. I trust that this will suffice for the Honourable Member's purpose. The figures for the years 1915, 1916, 1917 and 1919 are not readily available.

(b) The question of what reductions could be made in the strength of British troops in India was examined by the Retrenchment Committee and, in reply to a question asked by Diwan Bahadur M. Ramachandra Rao, the House was informed on the 1st February 1924 of the action that had been taken by the Government of India to give effect to the Committee's recommendations. I may add in this connexion that the Secretary of State has now given notice to the War Office for the withdrawal of the third British cavalry regiment during the trooping season of 1925-26. Government do not propose to carry out any further reductions in the number of British troops in India. As Honourable Members of this House are aware, His Excellency the Commander-in-Chief considers that the reductions which have already been made involve a certain degree of risk.

Statement showing the establishment of European and Indian soldiers in India on the 1st April 1914 and on the same date in subsequent years.

Year.	British.	In lian.
1914	72,082	182,089
1918	80,131	261,414
1920	66,665	343,422
1921	68,882	186,207
1922	67,881	175,073
1923	67,746	174,891
1924	59,152	169,412

Note:—The figures under 'Indian' include In lian officers.

TOTAL OUTLAY ON THE ROYAL AIR FORCE IN INDIA.

1009. ***Mr. T. C. Goswami:** Will Government be pleased to state:

(a) what is the total outlay incurred by Government on aerial units in India?

(b) what is the total number of men employed?

(c) what is the percentage of Indian first grade officers to the total number of officers in aerial service?

Mr. E. Burdon: I assume that the Honourable Member is referring to the Royal Air Force in India. If so, the following is the reply to his question:

(a) The expenditure incurred on the Royal Air Force in India during 1923-24 was Rs. 1,83,04,950.

(b) The strength of the Royal Air Force in India on the 31st January 1925 was as follows:

British officers	213
British other ranks	1,735
Indian Technical Section	138
Indian clerks	81
Indian followers	693

(c) If by "Indian first grade officers" the Honourable Member means King's commissioned officers, the answer is that there are no Indians at present holding the King's commission in the Royal Air Force in India.

Mr. T. C. Goswami: Are there any Indians holding any other sort of commission in the Air Force?

Mr. E. Burdon: No, Sir.

Mr. T. C. Goswami: There are no Indian officers of any kind?

Mr. E. Burdon: No, Sir.

Mr. Chaman Lall: Are they considered to be not competent for this particular kind of work?

Mr. E. Burdon: As my Honourable friend must know from statements which have recently been made in this House, a proposal that Indians should be granted facilities to enter the Royal Air Force is at present under consideration and correspondence with the Secretary of State.

TOTAL NUMBER OF SLEEPER-POOLS IN INDIA.

1010. ***Mr. M. S. Aney:** Will the Government be pleased to state the total number of "sleeper-pools" in which the whole of India is divided for the purpose of supply of sleepers to the railway systems in India and Burma?

Mr. G. G. Sim: I propose to answer this question and the next two questions together. Complete information is not available. It is being called for and will be supplied to the Honourable Member on receipt.

SLEEPER-POOLS IN INDIA.

†1011. ***Mr. M. S. Aney:** Will the Government be pleased to give the following information in a tabulated form regarding each sleeper-pool for the year 1924-25?

- (i) Name or number of the sleeper-pool.
- (ii) The officer in charge of the sleeper-pool.
- (iii) The railway line or lines or sections of line falling within the jurisdiction of the sleeper-pool?

† For answers to this question, see answer below question No. 1010.

SUPPLY OF SLEEPERS FOR RAILWAYS.

‡1012. ***Mr. M. S. Aney:** Will the Government be pleased to give the following information in a tabulated form regarding the supply of sleepers during the year 1924-25?

- (i) The number of sleepers ordered by the officer in charge of each sleeper-pool.
- (ii) The names of individuals or firms whose tenders for supply of sleepers were accepted by each officer in charge of the sleeper-pool.
- (iii) The rates at which the sleepers are supplied or going to be supplied by the aforesaid individuals or firms.
- (iv) The number of sleepers directly supplied to the Railway Board, if any, by the Forest Department and the rates at which they are supplied.

TESTING OF RAILWAY SLEEPERS.

‡1013. ***Mr. M. S. Aney:** Will the Government be pleased to state what steps are taken by the Railway Board to test the sleepers supplied by the contractors with a view to ascertain whether the sleepers conform to the quality and other standards regarding weight and measurements stipulated in the agreements between the Railway Board and the contractors?

ANNUAL SLEEPER REQUIREMENTS OF THE RAILWAY BOARD.

‡1014. ***Mr. M. S. Aney:** What steps does the Railway Board take for giving publicity to their annual requirements regarding sleepers on every Railway line?

RAILWAY BOARD'S ADVERTISEMENTS FOR THE SUPPLY OF SLEEPERS.

‡1015. ***Mr. M. S. Aney:** Will the Government be pleased to publish the list of the newspapers, if any, in which Railway Board advertisements inviting tenders for supply of sleepers are published?

CHARGES FOR ADVERTISEMENTS RELATING TO TENDERS FOR SLEEPERS.

‡1016. ***Mr. M. S. Aney:** (a) What are the rates charged by the newspapers for insertion of railway advertisement regarding tenders for supply of sleepers?

(b) Will the Government be pleased to state if these advertisements are sent for publication to prominent vernacular newspapers published in the areas within the jurisdiction of the sleeper-pool for which tenders for the supply of sleepers are invited?

COST OF ADVERTISEMENTS RELATING TO TENDERS FOR SLEEPERS.

‡1017. ***Mr. M. S. Aney:** Will the Government be pleased to give the total expenditure incurred by the Railway Board and the Agents in

+ For answer to this question, see answer below question No. 1010.

‡ For answer to this question, see answer below question No. 1018.

charge of sleeper-pools for publishing advertisements in newspapers under the following heads:

- (i) amount paid to Anglo-Indian newspapers in India and Burma;
- (ii) amount paid to Indian English papers including those published in Burma;
- (iii) amount paid to Indian vernacular papers including those published in Burma;
- (iv) amount paid to newspapers published in England;
- (v) amount paid to newspapers published outside England and India inclusive of Burma.

ADVERTISEMENTS RELATING TO TENDERS FOR SLEEPERS.

1018. ***Mr. M. S. Aney:** (i) Will the Government be pleased to state whether the Railway Board or the officer in charge of the work makes any inquiries regarding the circulation of each newspaper before making any agreement regarding the rates for insertion of advertisements regarding supply of sleepers in that paper?

(ii) If so, will the Government be pleased to publish the information showing the name of every newspaper, its circulation and the rate at which advertisements in the same is charged by the paper to the railway authorities?

Mr. G. G. Sim: I propose to answer questions Nos. 1013 to 1018 together.

The calling for tenders and all arrangements in connection with the supply of sleepers have been in the hands, not of the Railway Board, but of the various Railway Administrations which work in this matter through the sleeper-pool. The question of a change in this system is at present under consideration in consultation with the Central Advisory Council.

REVENUE DERIVED UNDER THE COTTON CESS ACT.

†1019. ***Mr. M. S. Aney:** (a) Will the Government be pleased to give the total amount of revenue derived by the Government under Cotton Cess Act during the years 1923-24 and 1924-25 with details showing the collections made in each Province in British India?

(b) Will the Government be pleased to say what portion of this amount is allotted during the years 1923-24 and 1924-25 to the Indian Central Cotton Committee and to the Agricultural Department in each Province in British India?

COST OF THE STAFF OF THE INDIAN CENTRAL COTTON COMMITTEE.

†1020. ***Mr. M. S. Aney:** What is the annual expenditure incurred by the Indian Central Cotton Committee on account of the salaries of the staff consisting of experts, officers and clerks during the two years 1923-24 and 1924-25?

† For answer to this question, see answer below question No. 1022.

TRAVELLING AND HALTING ALLOWANCES OF MEMBERS OF THE INDIAN
CENTRAL COTTON COMMITTEE.

†1021. ***Mr. M. S. Aney:** (a) Will the Government be pleased to say whether the members of the Indian Central Cotton Committee are entitled to draw any travelling and halting allowances for the purpose of attending the meetings of the Committee?

(b) If so, what is the total amount of expenditure incurred for this purpose during the two years 1923-24 and 1924-25?

CONTRIBUTION BY THE EMPIRE COTTON-GROWING ASSOCIATION TOWARDS
THE FUNDS OF THE INDIAN CENTRAL COTTON COMMITTEE.

1022. ***Mr. M. S. Aney:** (a) Will the Government be pleased to say whether the Empire Cotton-growing Association makes any contribution towards the funds of the Indian Central Cotton Committee?

(b) If so, what is the amount contributed during the years 1923-24 and 1924-25?

Mr. J. W. Bhore: Sir, as the replies to questions Nos. 1019—1022 are somewhat lengthy, I propose with your permission to lay them on the table.

No. 1019.—(a) 1923-24—Rs. 12,85,456.

1924-25—Year not ended, may amount to 11 lakhs.

Details showing the collections made in each Province in British India are not readily available.

(b) The question is not capable of a direct answer, for as will be seen from section 12 of the Cotton Cess Act the proceeds of the Cess are to be spent on (a) the expenses of the Indian Central Cotton Committee, (b) on schemes of agricultural and technological research undertaken by the Committee with the approval of the Government of India. The Committee does not make allotments to provincial Departments of Agriculture to relieve ordinary provincial expenditure, but makes grants for the carrying out of definite investigations. A full account of these will be found in the annual reports of the Committee. As will be seen from the statement published in the Gazette of India on the 28th June, 1924, the expenditure on Administration and Improvement of Marketing during the year 1923-24 was Rs. 1,12,163-4-0, on Agricultural Research Rs. 75,468, on Technological Research Rs. 2,10,555-4-7. The estimates for the year 1924-25 are as follows:

	Rs.
Administration and Improvement of Marketing	1,18,500
Agricultural Research	2,20,400
Technological Research	1,63,700

Actual figures are not available as the year is not finished.

† For answer to this question, see answer below question No. 1022.

No. 1020.—The expenditure incurred by the Indian Central Cotton Committee on the salaries of the staff during 1923-24 amounted to Rs. 71,343-8-0. The estimate of expenditure for 1924-25 is Rs. 1,82,124.

No. 1021.—(a) Yes.

(b) 1923-24—Rs. 9,446.

1924-25—Rs. 6,292 up to date.

No. 1022.—(a) No.

(b) Does not arise.

IRREGULARITIES COMMITTED BY AN OFFICER IN THE COMMERCE DEPARTMENT.

1023. ***Pandit Harkaran Nath Misra**: Will the Government please state:

- (a) whether there is an officer in the Commerce Department holding gazetted appointment, who joined that Department in 1914 or 1915 from the Army Department as a temporary clerk on Rs. 200 a month and who, before joining the latter Department, was a private in regimental employ;
- (b) whether the officer in question was brought on to the permanent cadre of the Commerce Department in or about 1918 in the Rs. 350 grade, and his appointment in this grade involved the supersession of several assistants who had longer service in the Department;
- (c) whether disciplinary action has ever been taken against the officer mentioned in part (a) in respect of irregularities committed by him. If so, what action was taken?

Mr. G. G. Sim: (a) and (b). Yes.

(c) The Honourable Member is referred to the reply given in this Assembly on the 19th September, 1924, to question No. 2250.

RATES OF LATE LETTER FEES LEVIED AT THE PRESIDENCY POST OFFICES AND AT RANGOON.

1024. ***Mr. Darcy Lindsay**: (a) Is it a fact that the late fee postage charges at the Madras, Bombay, Calcutta, and Rangoon Presidency Post Offices are not uniform, both as regards Inland and Foreign letters?

(b) If the answer is in the affirmative, will Government consider a revision of the fees to secure uniformity and, where expedient, a reduction of the present scale?

Sir Geoffrey Clarke: A statement is laid on the table showing the rates of late letter fees levied at the Calcutta, Bombay and Madras General Post Offices and at the Rangoon head office. It will be seen that except in the case of Rangoon, the late fees charged at all Presidency Post offices are practically uniform. The conditions prevailing at Rangoon are special and consequently a higher rate of late fee has been prescribed for that place for

inland articles, both registered and unregistered, posted there on the outward English mail days with a view to restrict late postings as far as possible.

Statement showing the late letter fees charged at the Calcutta, Bombay and the Madras General Post Offices and at the Rangoon head office on inland and foreign articles of the letter mail.

<i>At Calcutta.</i>		<i>Late fees.</i>
Inland—		
Unregistered articles	. . . . .	½ anna.
Registered articles	. . . . .	2 annas.
Foreign—		
Unregistered articles	. . . . .	} 4 annas.
Registered articles	
<i>At Bombay.</i>		
Inland—		
Unregistered articles	. . . . .	½ anna.
Registered articles	. . . . .	2 annas.
Foreign—		
Unregistered articles	. . . . .	} 4 annas.
Registered articles	
<i>At Madras.</i>		
Inland—		
Unregistered articles	. . . . .	½ anna.
Registered articles	. . . . .	2 annas.
Foreign—		
Unregistered articles	. . . . .	2 annas.
Registered articles	. . . . .	4 annas.
<i>At Rangoon.</i>		
Inland and Foreign—		
(On Tuesdays, i.e., outward English mail days)		
Unregistered and registered articles	. . . . .	4 annas.
(On Saturdays, between 3 P.M. and 4 P.M.)		
Registered articles only.	. . . . .	2 annas.

N.B.—No late fees are charged at Rangoon on other days of the week.

FINAL REPORT OF THE PUBLIC ACCOUNTS COMMITTEE.

The Honourable Sir Basil Blackett (Finance Member): Sir, I lay on the table the final Report of the Public Accounts Committee.

We have now completed our examination of the accounts for 1922-23. Since presenting our interim report to the Assembly, we have examined the audit reports of the Railway Accounts and of the Home Accounts of the Government of India. The points of importance which we have come across in our examination are set out with sufficient clearness in the minutes of our meeting of 6th February, 1925. We therefore content ourselves merely with presenting to the House these minutes in place of a formal report.

In the interim report which we presented in September, we expressed our intention of dealing in a later report with the important question whether revenue and expenditure should be shown gross and net in the accounts. We regret that, mainly owing

[Sir Basil Blackett.]

to the difficulties in the way of convening meetings during this session, we have been unable to consider the question with the care which it deserves and to arrive at any definite recommendations. We have therefore reluctantly felt compelled to leave further examination of the problem to our successors.

BASIL P. BLACKETT.

N. M. JOSHI.

K. RAMA AIYANGAR.

HUGH G. COCKE.

M. WEBB.

V. N. MUTALIK.

W. S. J. WILLSON.

21st February, 1925.

Proceedings of the 13th meeting of the Public Accounts Committee held on Friday, the 6th February, 1925, at 3 p.m.

PRESENT :

The Honourable Sir BASIL BLACKETT, *Chairman*.

Mr. N. M. JOSHI.

Mr. H. G. COCKE.

Mr. M. WEBB.

Mr. RAMA AIYANGAR.

Sardar V. N. MUTALIK.

Mr. W. S. J. WILLSON.

Dr. S. K. DATTA.

Sir Frederic Gauntlett (Auditor General) was present throughout the meeting and Mr. Hartley (Accountant General, Railways) when his Audit Report was being considered.

The Committee considered the Audit Report of the Accountant General, Railways and thereafter the Home Auditor's report.

2. They were of opinion that that rise in the percentage of objections in 1922-23 referred to in paragraph 17 of the Railway Audit Report of A. G. was very unsatisfactory, but were assured by the Auditor General that the figures given in the audit report for the next year which had already been prepared, showed a satisfactory improvement.

3. The question of compensation claims had already been referred to in the interim report of the Committee, but they desired specially to commend this question to the attention of the next Committee. It was suggested that statistics for a few years should if possible be compiled and placed before them when this question was taken up by them.

4. The Committee noticed with concern the number of financial irregularities, which was shown in this report as occurring in the G. I. P. Railway. The Auditor General suggested that as the auditor in Company-managed lines is generally under the control of the Company's Board and in some cases of the local executive, it would be useful if the check exercised by the Government Examiner, as the Auditor General's representative on their accounts were closer than in the past. The Committee, while refraining from making any definite recommendations in the matter, thought that this suggestion deserved careful consideration. They observed that a reference had been made to the question of the desirability of making the auditor on Companies' lines independent of the Agent by the preceding Public Accounts Committee on page 61 of their report. They hoped that the Government would place before the succeeding Committee a report of the steps that had been or were being taken in this connection.

5. The Committee observed that the double payment referred to in paragraph 33 of the report would not have occurred if elementary precautions had been taken.

6. The Committee noticed with concern the number of cases of losses of cash in transit mentioned in the report. They desired that the question of avoiding the necessity of moving about large amounts of cash to and from headquarters by arranging to pay in receipts into a near branch of the Imperial Bank or by some similar method should be considered.

7. The Committee wished to draw the attention of the Railway Board to the instances brought to notice of people travelling without tickets. In view of the considerable financial importance of the matter, they desired to emphasise the necessity of adequate checks.

8. The Committee desired in the first place to acknowledge the value of the audit of the Home Accounts conducted by the Auditor Mr. Home Auditor's report. Sturdy whose reports they had read with much interest. They had no comments to make except on the points mentioned below.

9. In connection with paragraph 13 of the report of the accounts of the High Commissioner, while they appreciated the action of the auditor in having brought the matter to their notice, the Committee, after examining the case at some length, did not, in the circumstances, think that there was any use in pursuing the matter.

10. With reference to paragraphs 47 and 48 of the report on the accounts of the Secretary of State, they wished to emphasise the undesirability of transactions being allowed to remain in suspense for any considerable length of time. They hoped that efforts would be made to have these suspense accounts cleared at the earliest possible opportunity.

11. They observed that certain matters which had been in dispute between the India Office and the War Office regarding amounts due to and from India in connection with the Great War were still unsettled. They considered it very unfortunate that it should be so and desired to place on record their feeling that it was most desirable that in everybody's interests the outstanding questions should be settled very soon. They trusted that the Government of India would spare no efforts to settle them at an early date.

12. The Committee had no time to consider the question whether receipts and expenditure should be shown in the accounts gross or net. Miscellaneous. In view of the difficulties of arranging for further meetings during this session, they decided to leave it to the next Committee.

ELECTIONS TO PANELS OF STANDING COMMITTEES.

Mr. President: I wish to know whether Members have all received copies of the four ballot papers necessary for these elections. If so, I will call upon Members to come up to the table in their order.

(The ballots were then taken).

THE PRISONS (AMENDMENT) BILL.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I beg to move that the Bill to amend the Prisons Act, 1894, be taken into consideration.

I introduced this Bill only the other day and when I did so, I explained to the House the very small Bill. It deals with certain questions of prison discipline and amends the law in the manner recommended by the Indian Jails Committee. I have received no notice of any amendments. The Bill is all in favour of the subject, and therefore I do not think that I need detain the House by any statement further than this, that the actual amendments proposed are all in sections 46 and 47 in the Act and are detailed in the Statement of Objects and Reasons. I move, Sir, that the Bill be taken into consideration.

Mr. President: The question is:

“That the Bill to amend the Prisons Act, 1894, be taken into consideration.”

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Alexander Muddiman: Sir, I move that the Bill be passed.

Mr. President: The question is:

“That the Bill to amend the Prisons Act, 1894, be passed.”

The motion was adopted.

THE CANTONMENTS (AMENDMENT) BILL.

Mr. E. Burdon (Army Secretary): Sir, I move that the Bill to amend the Cantonments Act, 1924, be taken into consideration.

Sir, as I stated when moving for leave to introduce this Bill, the Bill is of a purely formal and routine character. I have received notice of no amendments and I do not think it is necessary to give the House any further explanation of the Bill beyond what is said in the Statement of Objects and Reasons.

Sir, I move that the Bill be taken into consideration.

Mr. President: The question is:

“That the Bill to amend the Cantonments Act, 1924, be taken into consideration.”

The motion was adopted.

Clauses 2 to 14 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Mr. E. Burdon: Sir, I move that the Bill be passed.

Mr. President: The question is:

“That the Bill to amend the Cantonments Act, 1924, be passed.”

The motion was adopted.

THE CANTONMENTS (HOUSE-ACCOMMODATION AMENDMENT) BILL.

Mr. E. Burdon (Army Secretary): Sir, I move for leave to introduce a Bill to amend the Cantonments (House-Accommodation) Act, 1923.

As explained in the Statement of Objects and Reasons, with the passing of the Cantonments Act of 1924 it has become necessary to make certain consequential changes in the Cantonments (House-Accommodation) Act of 1923. The object of this Bill is to provide for these changes and also to provide for a change in the nomenclature of the Military Works Services which is now designated the Military Engineer Services. I do not think that the House will require any further explanation of this measure and I move for leave to introduce it.

Mr. President: The question is:

“That leave be given to introduce a Bill to amend the Cantonments (House Accommodation) Act, 1923.”

The motion was adopted.

Mr. E. Burdon: Sir, I introduce the Bill.

THE INDIAN MERCHANT SHIPPING (AMENDMENT) BILL.

Mr. J. W. Bhore (Secretary, Department of Education, Health and Lands): Sir, I beg to move that the Bill to amend the Indian Merchant Shipping Act, 1923, for certain purposes, as reported by the Select Committee, be taken into consideration.

It is, I think, unnecessary, Sir, at this stage of the Bill for me to recapitulate the reasons for its inception. This measure has been before the country for close upon a year and we have avoided all semblance of haste or precipitancy in its consideration. It will be within the memory of this House that, when during the Simla session a desire was expressed for further time to consider the labours of the Select Committee, we gladly acceded to it. The Bill in the shape in which it is now before this House has passed the scrutiny of a very representative committee of this House and I now move my motion for consideration.

Haji Wajihuddin (Cities of the United Provinces: Muhammadan Urban): Sir, being keenly interested in the welfare and comforts of the Indian pilgrims to the Hedjaz, I think it my duty to explain the brief history and causes which led the Government of India to take an opportunity to introduce the Bill. For the last few years a sufficiently large number of Indian pilgrims after the performance of the holy pilgrimage in the Hedjaz was found stranded in the streets of Jeddah in a destitute condition and had no means to return to India. I have already explained on the last occasion in this House, Sir, most of the causes of this pecuniary condition. The situation, however, was met from time to time by private subscriptions, the generosity of steamship companies and contributions from the Government of India, but the Government observing a yearly increase in the number of destitute pilgrims suggested in 1922 a measure under which every Indian outgoing Hedjaz pilgrim was compelled either to purchase a "return ticket" for the voyage to Jeddah and back or "to deposit sufficient money for coming back to India," but the majority of the members were against this suggestion at that moment and decided to form themselves into a committee called the "Central Haj Committee of India" with a view to raise subscriptions from philanthropic Muslims to meet the cost of the return passages of such destitutes. I, having been appointed Honorary Secretary of the said committee, fortunately succeeded in raising considerable amounts for the purpose but experience showed that instead of mitigating the evil, the publication of the Committee Funds is responsible to a great extent in greatly encouraging the poor to embark for the holy pilgrimage without sufficient funds to come back to India, which resulted in a great many difficulties and hardships to them and thus the increasing percentage of destitutes naturally discouraged the honest and sincere efforts of the Committee.

Official figures show that in 1921 the percentage of destitute pilgrims was only $4\frac{1}{2}$ per cent. while in 1922 it increased to $8\frac{1}{2}$ per cent. and in 1923 it was $11\frac{1}{2}$ per cent. No doubt the repatriation of those who leave their homes for the holy pilgrimage with the deliberate intention of returning at some one's expense is not only a direct encouragement to improvidence and dishonesty but an inducement to others to do the same.

I would quote here an important resolution of the Jeddah Haj Committee consisting of Muslim members which was adopted in their meeting held on the 29th March, 1923. It runs thus:

"(a) That in our opinion the present system of almost unlimited repatriation encourages destitution and attracts to the Hedjaz a large number of destitute pilgrims. It has often been noticed to induce even well-to-do persons to show themselves as destitutes.

"(b) That we feel humiliated when people often make comparisons between the conditions of the pilgrims of India and other countries. No pilgrim of any other country save India is noticed begging and lying in the streets helpless for want of food, clothing and accommodation.

{Haji Wajihuddin.]

(c) In order, therefore, to preserve the Indian honour abroad, and to stop a nuisance which will put an evergrowing strain on Indian charity, we request the Central Haj Committee that they should advise the introduction of the system of compulsory return tickets with food and compulsory deposit of these return tickets in Jeddah, as the other countries have done. Or alternatively each pilgrim may be required to keep a deposit of at least Rs. 80 at Bombay to meet his return expenses or others arising from unforeseen causes."

I may be allowed to say, Sir, that the Central Haj Committee of India in their meeting held in Delhi on the 25th March, 1923, under the presidency of Sir Muhammad Shafi also adopted unanimously certain resolutions on the question.

"RESOLUTIONS.

Resolution No. 3.—President read several extracts from the report received from British Consul at Jeddah giving details of the conditions of destitute Indian pilgrims and suggesting compulsory return tickets system.

Resolution No. 4.—Resolved that in view of the experience this Committee has had during the year and the report received from Jeddah with regard to repatriation of destitute pilgrims as well as of the working of return tickets system, this Committee is of opinion that the only really satisfactory solution of the problem of repatriation of destitute pilgrims from Hedjaz lies in instituting a system of compulsory return tickets.

Resolution No. 5.—The Committee recommends that the various shipping companies should be asked to give return tickets to intending pilgrims on payment of a sum representing *not more than a fare and a half* to induce pilgrims to adopt return ticket system. Should this not prove efficacious Government may take steps to either frame a rule under the Pilgrimships Act or, if that is not legally possible, to introduce legislation in order to bring that system into existence.

Resolution No. 6.—Committee recommends that in case of return tickets the steamship companies should be made to refund the value of return half of the tickets to the heirs of the pilgrims dying in the Hedjaz and to such pilgrims who decide not to come back from the Hedjaz during the current Haj season."

Now, Sir, the Bill was circulated last year for eliciting public opinion. I also had the Bill translated into Urdu and circulated along the leading Ulemas and orthodox section of the Muslim community and with some of them I have discussed the Bill personally, and, consequently, hundreds of opinions have been received and published by the Government, the majority of which no doubt are in favour of the Bill, the minority who simply disapprove of the measure, failed to suggest any sound practical alternative.

I have heard some people saying that as they pay too many, heavy, undue taxes to the Government so the Government can easily meet these trifling expenses. My esteemed friend Sir Montagu Butler (as a Secretary) said the other day:

"When last year the Standing Committee of the Assembly was approached by Government for money it raised objection to the expenditure of Government money on *religious pilgrimages*." "The members of the Committee (*said Mr. Butler*) took not only general objections but also urged what was done for one community should be done for another or should not be done at all."

With a view simply to show sympathy with the public in this country it is very easy for me to say on the floor of this House that as the Bill has been introduced by the Government of India it may be taken as an interference with the liberty to perform religious duties, but honestly speaking, Sir, in the face of so many difficulties and hardships under which thousands of poor pilgrims are stranded and then brought at some one's expense, especially the rapid increase of destitutes every year as I have just quoted, I cannot for a moment agree that it is an "interference"

but on the other hand some of the Ulemas and orthodox friends of mine who have been to the holy pilgrimage more than once hold the same opinion and say that if the necessary amendments are duly made, the Bill will be improved to a great extent and will without religious objection help to facilitate the situation to all concerned, and will prove a great boon to the Hedjaz pilgrims themselves!

Under Muhammadan law only such Muslims have been enjoined (*farz*) to go on pilgrimage to Mecca as can among other things safely provide their dependents at home with the necessities of life till their return from the pilgrimage and who must have both sufficient money and means for going to Mecca and coming back to their respective homes.

I, therefore, venture to say that careful and deep consideration of the object of this Bill together with its far-reaching effects will convince every Muslim that it aids, promotes and carries out the provisions of Muhammadan Law about pilgrimages.

The Bill provides neither compulsory deposit nor return ticket restrictions on those intending pilgrims who are bound by their own religious law to perform the pilgrimage once in their life but they are welcome to purchase only single tickets of either first, second, saloon or poop classes according to their purses.

It however provides either a deposit system or return ticket possession for conveyance simply in the "*lowest class*" available on the ship which is no other but "*Deck*" class, most suitable for the Cargo, but in other countries like Egypt, the Dutch Indies and the Strait Settlement no pilgrim of *any class* is allowed to proceed on single journey ticket. Sir, I have got a copy of the resolutions passed by the Jamiat-ul-Ulema Hind in their meeting held on 25th January, 1925, in which they have expressed general objection to the "*compulsory return ticket*" but are quite silent on the "*deposit system.*" They resolved further that they disapprove such legislation but "*they will warn publicly that no Musalman should proceed for the Hedjaz pilgrimage without sufficient money and complete arrangement for return passage.*"

I would also like to remind the House that several Haj Committees in the provinces of Bombay, Bengal, Bihar and Orissa wholeheartedly support the Bill. The Anjuman-i-Islamia of Quetta find no objection in the proposed legislation. The Anjuman Islamia of Umbala agree to the deposit system. In the provinces of Bombay and Madras the majority is in favour of the deposit system. Sir, I shall be failing in my duty if I do not appreciate the sympathetic attitude of my Honourable friends Sir Muhammad Habibullah and Mr. Bhore who by their courtesy gave the Muslim Members of this House several chances of free and frank discussions on the question. In these informal meetings I have the pleasure to say, simply with a view to safeguard the interests of the pilgrims and to avoid possibility of further destitutions I put several useful suggestions such as—

- (1) Date of sailing once fixed by the shipping companies must be strictly observed.
- (2) Fares once fixed and advertised by the shipping companies should not be increased.
- (3) In case a deposit receipt or return ticket is lost by the pilgrim, necessary safeguards and facilities be made.
- (4) Place of receiving deposit money should be optional; the pilgrim be allowed to pay either at the port of embarkation or at the treasury of the district in which he resides and so on.

[Haji Wajihuddin.]

I am pleased to say that my Honourable friend Mr. Bhore with his broadmindedness has assured me that all reasonable suggestions without losing the object of the Bill will be acceptable by the Government in one way or the other for those amendments and suggestions which do not come within the scope of the present Bill, necessary executive orders will be issued to the authorities concerned or, if necessary, a fresh Bill to provide further amendments on the lines suggested by us after due consideration by the Government and free consultation with our Honourable colleagues Mr. Mohammad Ali Jinnah and others will be introduced by the Government in the near future.

Under the circumstances, Sir, I find no alternative but to support the motion that the Bill be taken into consideration.

Maulvi Mohammad Shafee (Tirhut Division: Muhammadan): Sir, I rise to oppose the provisions of the Bill so far as it introduces compulsion upon pilgrims to purchase return tickets or to deposit such sum for the purpose of defraying the cost of a return ticket as the Governor General in Council may specify. In doing so, I fully realise my very heavy responsibility in this very important matter for the Muslims of India. I have spoken on very few occasions in this House up to now. I felt that my Honourable friends represent the will of the people more ably and more eloquently than I do. But on this question of compulsion by Statute in regard to one of the four great institutions of Islam, it is extremely painful to me to find that some of my Muslim brothers are not able to appreciate the view point I represent. But my strength, my conviction, comes from a different quarter, the quarter which is most exalted. Besides that, my conviction is fortified by the very strong resolution of those who are well versed in Islamic institutions, I mean the Ulemas. I am further fortified by the persistent desire of the mass of the people who are affected by the compulsory provisions of the Bill. I have created many opportunities, and I have missed none when they have come to me of themselves, for conferring upon this point all the time since the Bill has been introduced. The compulsory nature of this Bill is by no means considered desirable by any, but there are some, of course, who are under the impression that nothing else can be done and therefore we should accept it. The great bulk of the Ulemas and the great mass of the Muslim population are dead against the compulsory provisions of the Bill. And it is my bounden duty to give expression on this most important occasion to the very strong feeling that exists against any enactment imposing restrictions of the kind contemplated. As it is entirely a concern of the Muslim community I would beseech my Hindu brothers to bear with me for some time, to listen to the points I have to advance, and to judge for themselves whether the Government should insist in a matter like this in the way in which they are doing, and whether the Government should carry the Bill with their support.

I shall try, Sir, to deal with this subject in its three aspects. The first aspect to my mind is why there is destitution to such an extent that it has become a problem for the Government to solve. The second point that I will take is what is the remedy that the Government proposes and whether it meets the difficulty. Then I will say what is the remedy which I propose and whether it will not go a great way in meeting the real difficulties of the Haj pilgrim traffic. At the very end I will speak about the religious aspect of the question. This aspect to my mind, though

I put it at the end, is the first and the principle consideration which has prompted me to take up this attitude. (*Khan Bahadur Saiyid Muhammad Ismail*: "What is the religious objection, Sir?") I will tell you when the time comes. (*Mr. K. Ahmed*: "It will never come!")

Why there is destitution to such an extent that it has become a problem for the Government to solve is the question which I first take up and I say it is this aspect which will give us the key to the solution of the problem if we want to solve the real problem. The Haj pilgrims, Sir, have had to undertake the sea voyage from Bombay to Jeddah all these centuries that the Muslims have been resident in India. In spite of my endeavours I have not been able to find out if any such trouble arose when the shipping business was run by Muslims. We first hear of it when the great English shipping combine spread its influence on the Indian coast. My introduction of the phrase "the great English shipping combine" should not startle my Honourable friends in this House. The root cause of the trouble is to be found there, and therefore I had to mention it but I do not mean we have to tackle this problem in this connection, but it should be known to Honourable Members of this House, before deciding this question, that almost the whole of the overseas shipping of England is in the hands of the shipping combine known as the "Inchcape group." I am quoting this from a Government document; there is no secret about this fact. In fact the combine is openly defended in Great Britain on the ground that a shipping monopoly eliminates waste and instead of one English company fighting another they are combined to compete with the rest of the world. This it is claimed is a patriotic aim of the Inchcape combine. The same noble Lord has a very large interest in the managing agency firms that largely cater for the Haj traffic in the name of Messrs. Turner Morrison and Company. By stating these facts I have no desire to insinuate anything against the noble Lord or anybody connected with the shipping combine. They are business people. They have come to this country for business and they are perfectly justified in making as much profit as they can. But we are not here to lend our support to them in their adventures by squeezing out our indigenous shipping industry and putting restriction after restriction upon the Haj pilgrim. The following official correspondence throws a flood of light on the attitude of Government in the matter of the Haj traffic. The problem of return tickets being made compulsory on the Haj pilgrim is as old as 1905.

Pandit Shamlal Nehru: May I ask the Honourable Member whether if this system of return tickets were passed by this House according to the clause provided in the Bill it will benefit Messrs. Turner Morrison and Company or the Inchcape combine?

Maulvi Mohammad Shafee: Certainly it will. That is my conviction. The problem of return tickets being made compulsory, as I was saying, is as old as 1905. It was then unanimously rejected by all the leading Mussalman associations of the time, of which I have got the official record, Sir, although it was abandoned by the Government in 1907 by a regular notification, it appears the Government did not give it up for good. The official document which has come to my knowledge in connection with Messrs. Turner Morrison and Company is the Bombay Government's letter, dated the 28th December, 1912, in which that Government stated that there was a possibility of a well-known firm of good standing entering for this pilgrim traffic. (*To Pandit Shamlal Nehru who was leaving the*

[Maulvi Mohammad Shafee.]

Chamber.) Why are you going out? Please stay and hear what I have to say. I was reading from the letter of the Bombay Government—the Bombay Government writing to the Government of India on the 28th December—in which the Bombay Government stated that there was a possibility of a well-known firm of good standing entering for this pilgrim traffic after buying up or otherwise ousting the two Indian companies which at that time absorbed the greater part of that traffic. That is not my statement; it is the statement of the Government of Bombay; and soon after, when Messrs. Turner Morrison and Company purchased the Bombay-Persia Steam Navigation Company which was being run by a Mussalman firm in January 1913, the Bombay Government in a letter, dated the 11th April, 1913, wrote that in the interests both of the pilgrims and of Government it is preferable that any arrangement that may be concluded should be with Messrs. Turner Morrison and Company who as the controlling agents of the Bombay-Persia Steam Navigation Company and in their capacity as a local firm of high standing are in a better position to handle satisfactorily the Indian pilgrim traffic than any outside firm. (*Mr. K. Ahmed*: “Why did you not buy it?”) Please wait and let me go on with my speech. It is this attitude of Government that is responsible for all the difficulties of the Haj pilgrims. I repeat it and I say that it is this attitude of Government which is responsible for everything. They thought that Messrs. Turner Morrison and Company could handle the traffic satisfactorily and that it would be an advantage both to the pilgrim and to Government

Mr. President: Order, order. The Honourable Member is straying far from the principle of the Bill, which is the provision of return tickets for pilgrims going to Jeddah from Indian ports. We are not concerned here with the ships they travel in or the owners of those ships. We are only concerned with the principle that pilgrims going to Jeddah must buy return tickets.

Maulvi Mohammad Shafee: Sir, the question of destitution which is being considered in connection with this Bill has brought me to this subject. It is the root cause why that destitution has arisen. However I have finished with that portion of my speech.

Khan Bahadur W. M. Hussanally: May I know, Sir, if that is the root cause, we have to remedy the evil, we have nothing to do with the cause now.

Maulvi Mohammad Shafee: Unless you know the cause, how can you remedy the evil?

The Government thought that Messrs. Turner Morrison and Company would handle the traffic more satisfactorily and it would be to the advantage of Indian pilgrims that the said two Indian companies should be ousted by some means or other. We on the other hand are perfectly certain that the day the enterprising people of this country are ousted from the field the Haj pilgrimage will be an impossible task for all those who have a real desire and genuine love for the sacred places of Mecca and Medina. It is these two ideas diametrically opposed to each other that non-Muslim members of this House have to weigh in the balance in order to find out what policy is responsible for bringing about the destitution of the pilgrims;

whether it is in the interests of pilgrims themselves that compulsion should be introduced by legislation, or whether it is for giving more opportunities to the well-known firm of good standing to whom I have referred for practically controlling the Haj traffic. I am emphatically of opinion and there is not a shadow of doubt in my mind that the compulsory provisions of the Bill would confer upon the great English shipping combine the practical monopoly of the Haj traffic also; they have got the practical control of the coastal traffic in India, both passenger and cargo; and now they would have practical control of the Haj pilgrim traffic also by squeezing out the Muslim steamship companies who are naturally anxious to provide real facilities for the transport of their co-religionists to the Hedjaz. I may say in passing that no less than twenty Indian shipping companies have been crushed out or squeezed out since 1890. I cannot blame the shipping companies who were trying to make as much profit as they could from the pilgrim traffic, but

Mr. President: I would remind the Honourable Member that the subject of competition between Indian and British shipping companies is not in order under this Bill and if he proceeds I shall have to ask him to desist or resume his seat.

Maulvi Mohammad Shafee: I have finished with that, Sir. Now, Sir, I find

Khan Bahadur W. M. Hussanally: May I, Sir, ask the Honourable gentleman to explain to us if the pilgrim traffic were confined to Muhammadan shipping companies whether there would be no destitution and if so how?

Mr. President: The Honourable Member may discuss that in the lobby; he cannot discuss it here.

Maulvi Mohammad Shafee: Now, Sir, the real trouble about destitution arises on account of these things,—the raising of the passage rates from the average of Rs. 28-8-0 some years back to an average of Rs. 100 for the outward journey now, and the raising of the rates for the homeward journey from an average of Rs. 22-8-0 to an average of Rs. 60 now.

Khan Bahadur W. M. Hussanally: Were those rates before the war or after the war?

Maulvi Mohammad Shafee: Before the war certainly. We know, Sir, from what class of people these Haj pilgrims are drawn. They are ignorant rustics, living in the remotest corners of the country and perhaps leave their neighbourhood for the first time to undertake such a perilous journey. The pilgrim's knowledge of the journey is probably confined to the stories he had heard some years back, when both the outward and homeward journeys could be performed for Rs. 51 only. His other trouble is that he makes provision for a week's stay in Bombay but he has to wait for another fortnight; the poor pilgrim soon finds himself in a wretched plight. Imagine how he is treated. He is ordered by the Government authorities not to embark on any pilgrim ship and he is told to return home and live in peace in his village. Is not this riding rough-shod over the deep-rooted religious sentiment of the poor victim? We must try and visualise the working of his mind and his mental worries; he thinks that by going back to his village and his associates without performing the pilgrimage he commits a sin, and a great sin; but the Government have not got the heart to appreciate it.

[Maulvi Mohammad Shafee.]

I find, Sir, that the Government proposals which are put forward in this Bill are not the remedy for remedying destitution. Let us examine the Government proposals in all their implications. The main part of the Bill says that no pilgrim shall be received on board any pilgrim ship from any port or place in British India for conveyance in the lowest class available unless (a) he is in possession of a return ticket or (b) has deposited with the prescribed person such sum to cover the cost of the return journey as the Governor General in Council may notify. Now this clearly prohibits ship-owners to carry any pilgrim without satisfying either of those conditions mentioned above. It is the ship-owner who commits a breach of the law if he receives a pilgrim on the ship without fulfilling either of the two conditions, and it is the ship-owner that is sought to be punished. Is this not a very heavy burden to bear? Is this not a very great obligation imposed upon the shipping companies which deal with the pilgrim traffic? Mind you, no other ship-owners dealing in any other traffic has got such obligations put upon them by Statute. Why is this done in the case of the pilgrim ships alone? The Government can impose such heavy obligations on pilgrim ships, but the Government plead their inability to arrange with the shipping companies to charge a reasonable amount as fare from Bombay to Jeddah and back. I have been told all the while that the Government cannot impose any obligation on the pilgrim ships to sail soon after the day they have advertised for sailing, nor can the Government fix upon the passage money for the outward and homeward journeys; the pilgrims have been clamouring for these two things to be settled by the Government ever since the proposal for the introduction of return tickets was brought forward. The Honourable Sir Ibrahim Rahimtoola and Sir Fazulbhoy Curimbhoy laid great stress upon these two points as an alternative to the introduction of any compulsory return ticket system, but no heed was paid to these persistent requests. We have now a much harder obligation imposed by Government on the ship-owners who deal with the pilgrim traffic. We have therefore to see now if the compulsory provisions of the Bill do serve the purpose for which they are intended.

The proposals on behalf of the Government involve two alternative schemes. One is of enforcing the return ticket system and the other is of a deposit of such sum as would cover the cost of a return ticket. The two are quite distinct from each other in all respects except in their being both compulsory. It is therefore necessary that the two alternatives must be considered separately and must also be voted upon separately. I would appeal to you, Sir, to put them to the vote separately. The first point I shall deal with is the return ticket system. This has been declared by almost all thoughtful persons as a scheme which would kill all the smaller shipping companies dealing with the pilgrim traffic. This is as patent as anything and need not be dilated upon. It has been thoroughly condemned and as such I am surprised that it is part of this Bill. The system was introduced by Government and pilgrims had to take return tickets before they could board a pilgrim ship in 1915-16, in 1919-20 and in 1920-21, as I find from an answer given to my questions the other day. But the system did not work and so far as I see had to be practically abandoned. Now, I find, Sir, that the Bombay Government in their letter dated the 26th June 1924, No. 690-14-P. P. of 1924, have also shown the undesirability of insisting on the system of return tickets. Their reason is that because no interchangeability could be secured between the companies who

deal in pilgrim traffic therefore it would not work well. I find that as regards the alternative system, that is to say, the system of deposit, some reference has also been made to it in the said letter. I want, Sir, to read a portion of it.

It says, Sir:

"I am unable to understand the object of the Government of India in offering the Indian pilgrim this alternative. It will inevitably lead to very much harder work. The return ticket system is satisfactory provided interchangeability of the company is insisted upon. Without this proviso I believe the smaller companies would be driven out of the traffic. . . ."

This is the considered opinion of the Bombay Government so late as 1924.

" . . . And the result would be a monopoly . . . "

I am reading from the letter of Mr. D. Hailey, Officiating Commissioner of Police, Bombay, to the Secretary, Government of Bombay, General Department, dated 6th June, 1924, No. 6614-P. P., supplied to me by your office. He says Sir:

"Without the proviso of interchangeability . . ."

—which, Sir, has not been secured by the Bill—

" . . . I believe the small companies would be driven out of the traffic and the result would be a monopoly and soaring passage rates."

Now the Honourable Members can see from these facts whether they should vote for a compulsory return ticket system as has been suggested in this Bill.

Then, Sir, the other proposal is the deposit with a prescribed person of such sum of money as would cover the cost of the return journey, to be specified by the Governor General in Council. Although the proposal was not made in 1913 the criticism directed against the return ticket system by Sir Ibrahim Rahimtoola equally holds good in the case of a deposit. I cannot therefore do better than to quote the official record of Sir Ibrahim Rahimtoola's criticism made in Poona on the 31st July, 1913, in a conference convened by the Honourable Mr. Claude Hill for discussing this question. He says, or rather I am reading from the note which was prepared by the Government and which was published in the Bombay Gazette and the Gazette of India. I am reading from paragraph 6 of that note, which says:

"Sir Ibrahim Rahimtoola was of opinion that no satisfactory arrangement could be devised which would admit of refunds being made to pilgrims who did not return by sea, while not opening the door to grave abuses. It would be impossible either to prevent pilgrims from obtaining refunds by means of false declarations, in which case they would spend or conceal the possession of money paid to them and be thrown on the charity of the British authorities at Jeddah, or to insure that the refunds would be paid to the rightful claimants and not to persons who might obtain the return halves of tickets by purchase or fraud."

That was with reference to the return ticket system, and therefore he talks of tickets:

"Having regard to the immense number to be dealt with no system of identification of ticket holders at Jeddah designed to prevent such transfer was in his opinion practicable. There would thus in spite of all efforts be a large residuum every year of pilgrims who for one reason or another were unprovided with the means of returning to India, and the difficulty complained of would not be remedied though it might be to some extent reduced in degree. He contended that it was not right or just . . ."

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—and that is for the Members of this House to consider—

“ . . . He contended that it was not right or just to inflict on the 18,000 to 20,000 pilgrims who annually perform the Haj all the inconvenience and loss which a compulsory return ticket system, under proper safeguards even, would necessarily involve, merely in order to prevent some two or three hundred of them from being stranded at Jeddah.”

He then suggested his proposals and said :

“ Government should definitely announce that in future no assistance of any kind would be given to pilgrims at Jeddah for effecting their return to India, and subject to these conditions he would contemplate with equanimity the annual stranding at Jeddah of some two or three hundred indigent pilgrims. He considered that the convenience of the great mass of the pilgrims and their freedom from all undesirable restrictions were more important considerations than the restoration of the credit of Mussulmans of India in the estimation of the Muhammadan world.”

Here is the reply to my friend Haji Wajihuddin Sahib in regard to what he said in his speech. Now, Sir, I endorse every word that Sir Ebrahim Rahimtoola has uttered at that conference, as they apply with equal force to the deposit system if it is enforced by Statute. What I note is this. Government have introduced this system last year and the shipping companies who deal in pilgrim traffic accepted the suggestion and acted upon it. No ship carried any pilgrim unless he had on his passport a seal to prove that he had deposited Rs. 60 with the authority prescribed by Government. We have now to wait and see how the system has worked. (Mr. J. W. Bhore : “ I shall be able to tell the Honourable Member that in the course of my reply.”) I am very sorry you did not tell me before. But I find, Sir, in this same document from which I have been reading, a letter from Mr. D. Hailey, dated 26th June, 1924. In this connection he says :

“ The deposit system has worked very well this outward season, though it still remains to be seen whether any difficulties will be experienced in the return season. Pilgrims have not objected to paying their deposits and the great advantage is that each pilgrim can choose his own ship on the return journey. Furthermore, passage rates can rarely have been forced so low as they have been this season due to healthy competition among companies secure in the knowledge that Rs. 60 is to be received for each returning pilgrim.”

That is what he says. Now, Sir, we have certain other facts coming to our knowledge in a very short time. The Indian delegation to the Hedjaz went over to Jeddah and stayed in Jeddah for nearly a month. One of the delegation has come back here to Delhi, I mean Maulana Saiyid Sulaiman Nadvi Sahib has returned here. I met him yestreday and he said that the delegation made it a point in their journey and during their stay at Jeddah to study this question of the Haj and destitution. They have obtained facts and figures from the British Consulate and from the Hedjaz Government also. But he said, Sir, that all those documents have not come with him. They are coming along with Maulvi Abdul Qadir Qusoori who is due to reach here on the 4th March. I spoke to Mr. Bhore this morning and asked him whether he could stay the consideration of this Bill till after the 4th March, when we may have the opportunity of consulting him, as he has been there and studied the question himself, but Mr. Bhore was not willing to do so at that time. I do not know if he would be willing to do so now. I find, Sir, that there is a strong feeling against compulsion even on this alternative, even on this question of deposit, and I do not think that there is any harm in considering this question when we have got full details from our own people who have been there and who

have studied the question. It is a very reasonable request on my part, and I hope that the Leader of the Government Benches will advise the Member in Charge to consider this question and give us time for that. Now, Sir, I know that my friends here would not appreciate the religious aspect of the question, and therefore I have put it at the very end though I myself believe it to be the most vital.

Now, the institution of the Haj, Sir, is one of the four institutions which Islam has enjoined on every Muslim to observe. Concessions have of course been shown to the weakness of human beings, and a Muslim who is physically unfit to undertake a journey to the Haj is certainly exempted from the obligation, and so is a Muslim who is unable to arrange for the requirements of such a journey; but the exemption does not take away the merit from an act that deserves honour or reward. The fact that the performance of the Haj is a meritorious act remains all the same. There are traditions of our holy Prophet—peace be on him—that a man who offers prayers in the Holy mosque in Mecca is rather compensated a thousand times more than he would be elsewhere. The holy cities of Mecca and Medina have so many other attractions for the Muslim world that everyone desires to visit it once in his life and endeavours to lay by an amount of money which is enough to cover the expenses of his journey. There is a sect in India, no less than 25 per cent., who deem it incumbent on them to perform the Haj once in their lifetime only if they are physically fit to undertake the journey. Those of us who believe in the efficacy of religious observances, be they Hindus or Muslims, can very easily understand this point and appreciate what this means. Any restriction imposed on him in the observance of the religious ceremony must certainly be deemed as an obstacle in his way. Physical restrictions, economic restrictions and all other kinds of restrictions which a man generally has to meet before starting on a journey are considered only natural, but restrictions imposed by Statute on the performance of a religious ceremony cannot for a moment be tolerated. No Government has got the right of intervening in the performance of a religious ceremony in the way in which the ceremony has all along been performed. It is clearly a case of State intervention. The performance of the Haj by the poor has been going on at least from the time of our Prophet—peace be on him. The poor were allowed to perform the Haj from the earliest times; the poor were allowed to perform the Haj in the time of the four great Caliphs. No restrictions were imposed on them by the State at that time; rather, comforts and conveniences used to be provided from the State for those who ventured to undertake the journey.

Mr. K. Ahmed: On a point of order, Sir. Is there no time limit for the performance of the religious ceremony my Honourable friend is making?

Maulvi Mohammad Shafee: We Mussalmans feel that we rather have to follow for our guidance the examples and illustrations and traditions of our Prophet and the four great Caliphs of Islam. We cannot look to the Government of Egypt for our guidance or to the Malay States, as my friend, Haji Wajihuddin put it. No man can show any authority of putting restrictions upon the performance of the Haj by a purely Muslim State. The Turks or the Afghans or the Persians have not put any such restrictions in their own country. Wherever such restrictions are there we find the hand of non-Muslims interfering in the affairs of that country. The poor are the objects of contempt before the eyes of the so-called civilized world. My Hindu friends must have the experience of the poor crowding to their

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holy pilgrim places. Are these places to be shut out to these poor people who cannot provide at the very outset a return ticket for themselves? I submit, Sir, that on these grounds which I have put forward we should very strongly oppose the consideration of this Bill as part of the Statute-book.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, since the introduction of this Bill in the Assembly last year, I have very carefully gone through its provisions and after giving them my best consideration I have come to the conclusion that the Bill in its present form is not calculated to exercise any undue interference in the performance of the Haj on those Musalmans, who according to the commandments of the Holy Korán are ordained to make the pilgrimage. On the other hand I am convinced that the Bill under consideration will to a certain extent lend to ameliorate the difficulties of the *bona fide* Hajees and also will exercise a sort of desirable check on those professional beggars who make the pilgrimage a source of their ignoble income, and it is for these considerations that I rise to lend my hearty support to the Bill. If I had the slightest idea in my mind that the Bill was introduced to interfere in the religious freedom of my co-religionists, I would have been the first man to oppose it. The only provision which to my mind was calculated to entail hardship upon the intending pilgrims was contained in clause 5 in the proviso to new section 208-A, and therefore I tabled an amendment to that proviso, which, I am glad to see, has been accepted by the Government. The acceptance of this amendment and also of the amendments proposed by the Honourable Khan Bahadur Shams-uz-Zoha and the Honourable Haji Wajihuddin by the Government clearly shows that in introducing this measure the Government are not actuated by any sinister motive of their own and are prepared to give all sorts of facilities to the pilgrims.

Sir, although I do not claim to be a theologian, nevertheless I claim to be second to none in my zeal towards my religion and having been born and brought up in a family, which for many generations has been renowned for learning in theology, I am not altogether ignorant of the principles and commandments of my religion. I know very well that Islam is not an absurd religion. I claim that Islam stands for reason and common sense. I know that Islam forbids a life of hermitage and ordains its followers not to undergo unnecessary hardship in performing religious duties. "Allah does not impose upon any soul a duty but to the extent of its ability" says the Holy Koran. Performance of the pilgrimage to Mecca is incumbent upon every Muslim once in his life, subject to the condition that he has the means to undertake the journey as well as to make provision for those dependent on him. Security of life is also a necessary condition. Those who consider that by making return tickets compulsory for the third class passengers any Muslim is debarred from performing the pilgrimage are totally in the wrong. We know as a matter of fact that hundreds, nay, thousands of Musalmans, men, women and children, lose their lives in a most helpless or destitute condition at Jeddah for want of return passage money. Is it not the duty of the State to remedy this state of affairs, will it not be an act of patriotism if we were to adopt some measure which would minimise the chances of this calamity to a certain extent? I do not believe that this Bill would serve to remove the difficulties of pilgrimage *in toto*, but I do maintain that it would certainly mitigate the evil to a certain extent, and surely something is

better than nothing. I heartily welcome the assurance given by the Honourable Mr. Bhore.

Maulvi Mohammad Shafeeq: He has given no assurance.

Maulvi Muhammad Yakub: We have got a written assurance from the Honourable Mr. Bhore in our papers and I will show it to the Honourable gentleman if he wants it. I heartily welcome the assurance given by the Honourable Mr. Bhore that the Government will, if possible, during this session, introduce a Bill to make the necessary provision in the Act about the dates for the sailing of ships and both these Bills taken together will, I am sure, greatly remove the difficulties of the pilgrims.

Although I do not very much believe in the meritorious character of performing the Haj by those who have not got sufficient means to undertake the journey, nevertheless I believe that the Bill under discussion does not in any way add to their difficulties. After all they have got to come back somehow or other, even if they earn money by means of charity; it is better that they should be made to earn more money in their own country than to throw themselves on the mercy of strangers in a foreign land. I have carefully gone through the statement published by the working committee of the Jamiatul Olamá and have also read the article recently published by the venerable President of that learned body, but I am very sorry that I found both the documents highly disappointing and unconvincing. They contain neither any religious authority nor a word of sound wisdom, on the other hand, the statement of the working committee itself admits the necessity of taking steps in the direction indicated by the Bill; they only want it to be left to themselves instead of making it a subject for the Legislature. But the experience of several past years and the failure of the Haj Committees has fully demonstrated the impotence of such organisations and it would be highly impolitic not to allow the Government to take a step which, we are convinced, is taken solely for the welfare of the pilgrims.

The bugbear of Turner and Morrison is haunting the minds of my friend Maulvi Mohammad Shafeeq and certain other persons. In the first place we are not here to hold the brief for shipping companies; our main concern is the welfare of the pilgrims. Nevertheless I am not satisfied that the provisions of this Bill would injuriously affect any shipping company unless it has got only one boat at its command, and I would not certainly like the pilgrims to be left to the mercy of such uncertain companies. With these remarks I heartily support the Bill.

Maulvi Abul Kasem (Bengal: Nominated Non-official): *Sir, I fully appreciate the sentiments and the enthusiasm of my Honourable friend Maulvi Mohammad Shafeeq and at the same time I appreciate the great industry he has displayed in making researches, the advantage of which he has given us to-day. But I regret to say, Sir, that in spite of the historical documents that he has read to us, supplemented as they have been by very eloquent advocacy, I still remain unconvinced that the object of Government in introducing this Bill has been other than to relieve themselves of the responsibility and the trouble of looking to the comforts or into the troubles of destitute Muhammadan pilgrims at Jeddah. Sir, I cannot allow this opportunity to pass by without expressing my gratitude to the Honourable Member in charge of the Bill for the great sympathy he has shown to us in this matter and for the unusual step he has taken in holding informal conferences with the Muhammadan Members of the House at which there was a free discussion of the merits and clauses of

* Not corrected by the Honourable Member.

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the Bill and in which my friend Maulvi Mohammad Shafee was also present and took an active part. During these conferences we heard Mr. Shafee objecting to this Bill on religious grounds and at the first moment, ignorant layman as I am, I felt nervous that if the provisions of this Bill interfered with any of my religious tenets it would be the duty of every mother's son belonging to the Islamic faith to oppose it. But we were not prepared to take the *obiter dicta* of any individual, however high or great he may be. Naturally, I and my colleagues wanted the reference. The reference that we repeatedly demanded did not come forth. Naturally therefore we concluded that there was no sanction behind the statements and the *obiter dicta* stood alone; and then arguments came forward, with the result that the majority of the Muhammadan Members were convinced that there was no religious objection. To-day for the first time my learned friend comes forward with another argument in opposing the consideration of this Bill, and that is that it will interfere with the indigenous shipping companies in preference to Turner Morrison. This is an argument which was never used in the previous conferences that we had on this question. That was a mistake I am told. But whatever it is, I do not understand how the purchase of a return ticket favours any particular steamship company and puts the others at a disadvantage. We are told it is so, because Turner Morrison is a big company and what is worse still it is patronised and combined by a bigger shipping guild and therefore other companies cannot compete with it. That will only affect rates and fares and other facilities of trade and passenger traffic, but what has it got to do with the purchase of return tickets? We are told that Turner Morrison are the only steamship company which can arrange to get back the pilgrims at Jeddah at particular periods. If return tickets are not issued, how are these pilgrims to come by these indigenous ships? If they have got sufficient ships at their control they can still take passengers with a return ticket and bring them back as Turner Morrison or as Lord Inchcape can do. Therefore, that argument, in my opinion, does not hold water, however appealing it may be to certain classes of people in this country.

Secondly, Sir, we have been told that we by this legislation stand in the way of pious Mussalmans who want to secure merit—those particularly enjoined by Islam to perform the Haj—by performing the religious duty and we should not stand in the way of the gratification of their desires. I want to know how by asking him to purchase a return ticket we prevent him from going and securing that merit. Nobody is going to prevent him if he wants to go by the land route, walking all the way if he wishes. He will get more merit and certainly better credit than by going in a steamship. But it is not necessary that, in order to allow a man to secure merit, the steamship companies should take them from one port to another and bring them back. Then the question arises that he has got money enough to pay for a single ticket but not for return ticket. A pilgrim generally comes to the port of embarkation with all the necessary money for his journey and for his return home. Unless he does so and unless he is a candidate for getting into a Bedlam, he cannot come to the port of embarkation. If he comes there with money, it is safer for him either to pay the money by purchasing a return ticket or to keep it as a deposit rather than carry it with him to Jeddah and Arabia where he may have at least 50 per cent. chances of losing the same. Then

the question comes as to why should people object to the purchase of return tickets or to deposit the money in lieu of purchasing a return ticket? The only people who can object to this and who, I think, have got something to say about it, are the people who from the very start from their house mean to go to Jeddah for the purpose of begging and for the purpose of coming back after begging and thus to have greater facilities for begging in this country when they come back. These are the people who, to quote a familiar phrase, go to church not for prayer but the music there. Sir, I think it is the duty of every Musalman as has been declared from platforms and by Ulemas to prevent these men from going to the Hedjaz simply to beg and encourage them to have greater facilities of begging when they come back to their country. I may add, Sir, that this ambition or desire should in no way be gratified and what is more important the gratification of this desire should not be construed as a necessity to perform a meritorious religious act. It is absolutely wrong to say so. In the name of religion, it is, I think, undesirable to do these things and if I may say so they should not be allowed. I, therefore, strongly support the motion of my learned friend and I hope the House will accept it without a division.

Mr. W. F. Hudson (Bombay: Nominated Official): Sir, like my friend Maulvi Mohammad Shafee I feel considerable diffidence in occupying the time of the House, but I promise not to occupy quite as much time as he did. I venture to make a few remarks on this subject because it so happens that during the past year I have had very considerable practical experience of the system which it is now proposed to legalise. And I should like, if I can, to reassure any Honourable Member who may have any doubts as to the efficacy and the popularity of this system. This Bill, Sir, is rather different from most of the Bills which come before this House, and in a very important respect. Most of our Bills it seems to me—whether they are Mr. Patel's innocent little attempts to improve the criminal law out of existence, or Sir Hari Singh Gour's more ambitious efforts to reconstruct Hindu society on lines of his own, or even Sir Basil Blackett's Finance Bill for extracting money out of unwilling pockets—all these Bills are of the nature of an experiment. I am sure Mr. Patel has not the ghost of an idea what would happen if he succeeded in abolishing the Punjab Murderous Outrages Act, and I am equally sure that Sir Hari Singh Gour cannot possibly foresee all the effects of raising the age of consent. I doubt whether even the Honourable the Finance Member, in spite of his wonderful gift for guessing right, can really be sure what the ultimate result of the Finance Bill will be. And I think that sometimes when we in this House shout the final "Aye" to most of these Bills and send them gaily on their way to another place, even the youngest of us must wonder whether they will really work in practice or whether it will be found that after all they do more harm than good.

Now, Sir, no such doubt need assail the House on this question, since the main and the most important provisions of this Bill are not experimental at all. They have, as a matter of fact, been enforced throughout the whole of the past pilgrim season. The question of the stranding of thousands of pauper pilgrims at Jeddah had become so acute that it was absolutely necessary for Government to take some steps; and as something had to be done, and done quickly, if the miserable experiences of 1923 were not to be repeated, Government did venture, with a great deal of help from the steamship companies, to anticipate the somewhat cum-

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bersome processes of the Legislature, feeling confident that in this case at any rate the Legislature would support them. During the past season in Karachi, Sir, I supervised the despatch of about 6,000 pilgrims to the Hedjaz, under the deposit system which it is now proposed to legalize. Under the direction of a very competent and sympathetic Protector of Pilgrims, a whole-time Mussalman officer, and with the invaluable and never-failing assistance of a non-official Haj Committee we got the deposit system working, and now after reading the final report of His Britannic Majesty's Consul at Jeddah I have no hesitation in saying that the system has been an unqualified success. Of course, every new bit of machinery requires careful adjustments at the start and special attention has to be paid to lubrication, and this was no exception to the rule. I confess that at the beginning of the season I was not quite sure how the system would work. At the end of the season I was quite sure that it was a sound and practicable method. Of course difficulties arose, as they were bound to do, but the Commissioner of Police in Bombay, His Britannic Majesty's Consul at Jeddah and myself have been in close communication about our different experiences and have now solved most of our problems, I think I may say, satisfactorily. And if the House passes this Bill to-day, as I earnestly trust it will, I have no doubt whatsoever that next year things will go like clock-work. To give the House an example of the sort of difficulty that arises—2 or 3 of the pilgrims,—very poor men,—paid their deposits, got their passports duly stamped with the endorsement "Deposit paid" which entitles them to return-tickets, and then went out into the bazar and promptly lost them. They had insufficient funds to pay for a second deposit, and although it was probably their own fault, I felt it was intolerable that for a piece of carelessness or possibly bad luck, they should miss what was doubtless the dream of a life time. I am of course cursed with my full share of the "bureaucratic mentality", and so I could not see my way to asking Government to defray these losses from the public purse at the expense of the general tax-payer. But I got my good friends on the Haj Committee together and asked them if they would guarantee to indemnify Government supposing the lost passports were ever presented at Jeddah by some one else who was not entitled to them. The Haj Committee, I am glad to say, most readily agreed and I then issued duplicate passports endorsed with the words "Deposit paid" and the poor pilgrims went off to the Haj quite happily. Well, that is a small matter but it is just to show the House the way in which these things are dealt with. The number of lost passports was surprisingly small, but I just mention it to show the House that a genuine and sympathetic attempt has been made to solve any little difficulties arising out of the new regulations. Those difficulties have on the whole been astonishingly few, and I think I may fairly claim that most of them have been solved. I was in the closest touch with the pilgrim camps and I personally supervised the embarkation of hundreds of pilgrims, and the only serious and solid grievance that was brought to my notice was the occasional delay in the departure of the steamers. With that grievance I had the fullest sympathy and I always did my best to accelerate matters; but unfortunately the most autocratic of district officers cannot eject a steamer from harbour if she refuses to get up steam. I have every hope that the Member in charge will see his way to meet us on that point and provide us with the necessary lever and supply the argument which the companies at fault (they are not all at fault) will most readily understand.

Now, Sir, I not only saw the pilgrims depart, but what is more important, I saw most of them return. I discussed their experiences with many of them, drawn from all classes of society, from His Excellency the Afghan Envoy at the Court of St. James's down to the humblest ryot, and though most of them were decidedly eloquent on the subject of their experiences in the land of the Hedjaz, not one of them complained to me about the passport deposit system. Not one said that he had been stranded at Jeddah, or had had any serious difficulty about a passage back or had been obliged to depend upon casual charity as in the days gone by. When one remembers the haphazard arrangements of past years the stranding of literally thousands of destitute pilgrims begging their daily bread in the streets of Jeddah, and finally the heavy burden of expenditure laid upon the State or upon the companies by the necessity of repatriating them, one cannot help feeling that the improvement has been remarkable, and that it is imperative that it should be maintained in the future. Therefore it is with the fullest confidence that I commend this Bill, and more particularly clauses 5, 6 and 7, which Maulvi Mohammad Shafee wishes to delete, to the favourable suffrages of the House.

Captain Ajab Khan (Punjab: Nominated Non-Official): Sir, I rise to wholeheartedly support the Bill and thank the Member in charge for bringing up this measure for the protection of Indian pilgrims. My friend Maulvi Mohammad Shafee opposes it as being a restriction on religion. I on the contrary say it does not go far enough. It remedies only one per cent. of the grievances of the pilgrims. The Government of India have got some international responsibilities which they have got to bear in mind in regard to international matters. I remember when I was in Palestine, and we wanted to repatriate some Indian refugees to Mecca and Madina, the Hedjaz Government strongly protested against the influx of Indian paupers into the Hedjaz which depends for its necessities of life on other countries. I know the law of Islam is the same all the world over. If Egypt, Morocco, Syria and other countries see fit to impose these restrictions that pilgrims should have their return passage as well as subsistence money for themselves and family and money for paying the railway fares to and from their homes, and we only insist on the pilgrim's providing himself with a return passage ticket, I do not think it is too much. There are other things in connection with the Hedjaz pilgrimage which I think later on can be tackled by the Honourable Member in charge, such as the accommodation for the pilgrims in the Hedjaz, Banking facilities, facilities for their protection, and so on, which are outside the scope of this measure; but I hope in future the Member in charge will kindly make up his mind to see to these things also. When this Bill was brought in last year I know the majority of Muslims were in favour of it. There were a few dissentient factors, to one of which my Honourable friend Maulvi Mohammad Shafee belongs, and when it was proposed to be passed by the Select Committee it was proposed by Maulvi Mohammad Shafee that the Bill should be further circulated for eliciting further opinions. A few days later on I read that the Central Khilafat Committee at Bombay were opposed to this Bill. However no more was heard of it. In this session it was again put forward for consideration in the House and I know that the Jamait-ul-Ulama's Working Committee put forward a rather undecided and unconvincing verdict about it, but the majority of Muslims are in favour of it. My friend Maulvi Mohammad Shafee refers to the poverty of the pilgrims. I would advise and request him to kindly see his way and divert some money from the Khilafat Fund to this charity for the

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relief of poverty. He has further stated that he has sent a deputation to Jeddah and he asks the House to delay the consideration of this Bill till it returns and informs us about matters there. But most of us have been to the Hedjaz and we can enlighten him if desired, but he will not believe that. He points to the palmy days of Islam in India when the Muslim rulers of India sent shiploads of pilgrims at the State expense. I know they used to do that, and I know His Exalted Highness the Nizam of Hyderabad sends many pilgrims each year at his own expense. If any one can do that, he is welcome to do it and deserves the hearty thanks of the Muslims. But it is detrimental to the national honour of Muslims in India that Indian paupers go and lie in the streets of Jeddah and Mecca and most of them die of starvation and lack of care. I do not think any Muslim for the sake of humanity will tolerate that. Besides there is no religious injunction against it. I have seen with my own eyes when I was in Mecca that many poor destitute Indians lay in the streets without any apparent means of living or a rag of clothes on. I tried in most cases to give them some sort of relief but the task was too heavy for any one person. There are no adequate hospital arrangements for pilgrims. They die and are collected and thrown into some cave. Will my friend Maulvi Mohammad Shafee tolerate these things? I know the question of interchangeability of passage tickets is a difficulty but the revised provisions in the Act will I am sure remedy that. If a pilgrim is left stranded without being embarked in 25 days from Jeddah the Company will have to pay him subsistence. I think one could say a lot about this subject, but only a small section of Indian Muslims oppose the measure, and the majority of Muslims throughout India are in favour of the Bill, and I hope the House will pass it. I heartily support it.

Haji S. A. K. Jeelani (North Madras: Muhammadan): Sir, I accord my support to this Bill. A Bill of this nature is very essential in order to safeguard the interests of pilgrims to Mecca. Many of them suffer considerable hardships. I know personally that many Mussalmans undertake the pilgrimage to Mecca with practically no money with them, or insufficient money. I am sorry to say that some poor Mussalmans who are professional beggars go to Mecca, not with religious feelings, but merely to beg, though I do not deny that there may be a few among them who go with genuine religious motives. When I got on board the steamer at Bombay to go to Mecca I was surprised to see within a few minutes of our steamer leaving Bombay beggars going round among the passengers in the steamer begging. These beggars not only trouble the passengers in the steamers, but they are also a cause of disease and a cause of the heavy mortality among the pilgrims. They have no lodgings, but stay on the roadside exposed to all kinds of weather and dirtying the place; thereby diseases break out not only endangering their own lives but also the lives of others living close by. Some of my Mussalman colleagues in this House are not in favour of this Bill. They are led away by their feelings of sympathy for these men but I am sure that if they were to see for themselves the difficulties to which these pilgrims subject themselves and others they would find out their mistake. Again some of my Mussalman friends may think that the introduction of a Bill of this kind is an encroachment on the religious rights of Mussalmans. I can assure them that it is not an encroachment on their religious rights at all but it is quite in accordance with the conditions that Islam fixed by making the Haj obligatory. All the Haj Committees and many of the Mussalman Anjumans have sup-

ported this Bill. Some Anjumans have kept quiet. Their silence indicates consent. The introduction of this Bill will not only lessen the inconvenience of the pilgrims but also reduce the death-rate. If my Mussalman colleagues here do not care to save their brothers' lives, let them oppose or delay the Bill. Sir, I must draw the attention of my Mussalman colleagues here to the fact that one of the important religious teachings of Islam is that if any Mussalman were to try to do some wrong it is the duty of other Mussalmans to prevent it if that prevention lies in their power. Now these Mussalman pilgrims go without sufficient money and put themselves into difficulties as well as cause a lot of inconvenience to others. Once our Prophet (peace be with him!) went on Haj. He saw some people who went there for the Haj come forward to beg. He prevented them from begging. The people who go from here without money must beg in order to return to their own native place. That is another instance of the same thing and we the Mussalmans who are here now have an opportunity of preventing them. If you neglect your duty are you not liable for neglect?

Some Mussalmans here, though they admit that this Bill is not an encroachment on Mussalman rights, yet think the fact that a non-Mussalman has introduced this Bill is a kind of encroachment on religion. (*Mr. M. A. Jinnah*: "The Member in charge is a Mussalman".) To them I say that Islam teaches that good advice given by either Mussalman or non-Mussalman should be accepted with thanks. Besides that this matter was first set in motion by our Amir-ul-Mominin and Khalifat-ul-Muslimin Sultan of Turkey. Four or five years before the great war, I saw as the Secretary of a Haj Committee the correspondence which passed between the Sultan of Turkey and the Foreign Minister of His Majesty's Government in London, protesting strongly against the Indian Government allowing such people without sufficient money to go and perform the Haj. This correspondence was circulated to all Haj Committees.

Now, Sir, I request my Mussalman colleagues, those who have come with prejudiced minds to oppose the Bill, after hearing all these things to give their wholehearted support to this Bill. To the Government Member I would say the mere introduction of this Bill will not remove all the difficulties which we have to overcome. I know that many passengers board a ship hours or days before the regular passengers are embarked by paying a bribe to the steamer authorities. Unless you take steps to prevent that by writing letters to the Commissioner of Police in Bombay or other responsible officers at other ports of embarkation, to examine and search the steamers for such people and then to allow the pilgrims to enter into the steamers—unless you do this the usefulness of this Bill will not have a good effect. With these few words, Sir, I support the Bill.

Mr. President: The question is:

"That the Bill to amend the Indian Merchant Shipping Act, 1923, for certain purposes, as reported by the Select Committee, be taken into consideration."

Maulvi Sayad Murtuza Sahib Bahadur: I want to speak too, Sir.

Mr. President: The Honourable Member will get an opportunity on the motions that the clauses stand part of the Bill.

The question is that the Bill be taken into consideration.

I think the Ayes have it.

[Mr. President.]

(On Mr. Kabeerud-Din Ahmed calling "Aye" repeatedly.)

The Honourable Member from Bengal has been long enough in the House to know that he should remain silent when the Chair says "the Ayes have it" unless he wishes to claim that the Noes have it.

The Assembly divided:

AYES—53.

Abdul Mumin, Khan Bahadur Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Ahmad Ali Khan, Mr.
Ahmed, Mr. K.
Aiyangar, Mr. K. Rama.
Ajab Khan, Captain.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Chetty, Mr. R. K. Shanmukham.
Clarke, Sir Geoffrey.
Cocke, Mr. H. G.
Crawford, Colonel J. D.
Dalal, Sardar B. A.
Fleming, Mr. E. G.
Gour, Sir Hari Singh.
Graham, Mr. L.
Gulab Singh, Sardar.
Hira Singh, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Hussanally, Khan Bahadur W. M.
Jeelani, Haji S. A. K.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Lindsay, Mr. Darcy.
Makan, Mr. M. E.

Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir Alexander.
Muhammad Ismail, Khan Bahadur Saiyid.
Naidu, Mr. M. C.
Pal, Mr. Bipin Chandra.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Samiullah Khan, Mr. M.
Sarda, Rai Sahib M. Harbilas.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Sim, Mr. G. G.
Singh, Rai Bahadur S. N.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Wajihuddin, Haji.
Webb, Mr. M.
Wilson, Mr. R. A.
Yakub, Maulvi Muhammad.

NOES—7

Badi-uz-Zaman, Maulvi.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Hari Prasad Lal, Rai.

Murtuza Sahib Bahadur, Maulvi Sayad.
Nehru, Dr. Kishenlal.
Shafee, Maulvi Mohammad.

The motion was adopted.

Mr. President: Before we proceed to deal with the clauses of the Bill, it may assist the Assembly if I say a word about the amendments on the paper. The first amendment on the paper, it will be seen, is not necessary because the question will be put in the other form. No. 2 in the name of Khan Bahadur Sarfaraz Hussain Khan is out of order because the Bill deals simply with compulsory return tickets and not with fares, and therefore the amendment in the name of Haji Wajihuddin is also out of order. Maulvi Muhammad Yakub's is in order. Khan Bahadur Shams-uz-Zoha's No. 4 is in order; No. 5 is covered by what I said about No. 1. No. 6 in the name of Khan Bahadur Shams-uz-Zoha is also, I think, in order; No. 8 in the name of the same Member is also in order, as also Nos. 9, 10, 11 and 12. No. 14 in the name of Khan Bahadur Shams-uz-Zoha is out of order.

Then, of the amendments standing in Maulvi Mohammad Shafee's name, the only one in order is the section which he proposes to insert as

a new section No. 10, which as a matter of fact ought to be moved as an amendment to the existing clause 5 and not as a new clause. The rest are out of order with the exception of his proposed addition as new clause 11 to section 213 of the original Act, which is consequential upon his previous amendment.

Clauses 2, 3 and 4 were added to the Bill.

Maulvi Mohammad Shafee: Sir, I beg to move that clause 5 of the Bill be deleted.

This clause in the Bill is a prohibitory clause and therefore, as I have said just now that no prohibition in matters of this kind should be legislated upon in this House, I say this clause should not stand. I have in my amendment shown that I do not object to arrangements for return tickets being made with the shipping companies or to arrangements for deposits being made in India for the purpose of being utilised in Jeddah at the time of return; but what I say is that these two arrangements should be made and should be as attractive as possible and as convenient as possible so that Haj pilgrims may run towards them of their own accord without any compulsion by the Government. If they are made compulsory, I am sure they will be as hard and stiff as any rule of the Government and you will then see to what consequences the pilgrims will be reduced.

As to (a), that is to say, the compulsory return ticket, I am definitely certain, without any shadow of doubt in my mind, that this clause should not stand. It is not to the benefit of the pilgrim at all. It will kill, as I have read one government official of Bombay reporting to the Government of India, the smaller companies and rates would run very high. We have had this subject before us since 1905 and Mussalmans of great position have all along with a unanimous voice objected to it, and I do not think this House will at this stage, having heard the opinion of the leading Mussalmans and leading associations of India, give its consent to this proposition in the Bill.

I had forgotten to mention, Sir, that the only authority so far as religious authority is concerned is the authority of the Jamiat-ul-Ulema-i-Hind, that considered this question very anxiously at Moradabad when they were sitting and after many hours' discussion referred this to a select committee of 17 Ulemas who form the working committee of the Jamiat-ul-Ulema. That committee met for the express purpose of deciding as to the desirability of this policy, and they came to the conclusion that it is certainly a restriction on the performance of one of the great institutions of Islam which should not be allowed and which should be opposed vehemently. We have the opinion of other leading Mussalmans in the provinces of Bombay and Madras and also in the United Provinces, which have been supplied to us, and we find that they are entirely against it.

As regards the deposit system, as I told you, Sir, it is a system which has been newly introduced and has been in operation only for a year. We do not know what the result of the working will be. We know only that it was introduced in 1924 and people have had recourse to it. I said to Mr. Bhole, and I repeat it again, that we should have further discussion on this clause when our representatives who have gone to Jeddah come here on the 4th March. Although I oppose making it compulsory on the pilgrims to deposit the money, still I am open to conviction on this point after those people come and advise me as to the state of things there and as to the feasibility of this problem.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I beg to move:

"That in clause 5, in the proviso to new section 208A, for the words 'obtained a certificate from an authority appointed in this behalf by the Local Government certifying that the said authority is satisfied that the pilgrim does not intend to return to India' the following shall be substituted, namely:

'made a declaration on oath or affirmation in such form as may be prescribed, before an authority appointed in this behalf by the Local Government, that he does not intend to return to India within three years after the date of declaration'."

The object of moving this amendment is quite clear. I do not want to make a long speech about it as I understand that the Honourable Member in charge of the Bill will accept it. I would simply say that my object in moving this amendment is that there might be certain obstinate officers who may not be satisfied with the declaration of the intending pilgrim, and therefore instead of saying that the officer "is satisfied", I have said that the "declaration on oath or affirmation" may be considered as sufficient. And then to the words "does not intend to return to India" I have added the words "within three years from the date of declaration". Of course, as has already been stated, the main object of this Bill is to put a sort of check upon the professional beggars, and I therefore move this amendment so that extra hardships may not be inflicted on *bona fide* Hajis. There may be certain persons who intend to make the Hijrat and not come back, but who after reaching there find that the climate does not suit them or that their disposition of their property in India was not in order, and so they again wish to return to India. In the case of such persons, in order that the proviso may not affect them, I have proposed this amendment.

Mr. President: Amendment moved:

"That in clause 5, in the proviso to the proposed section 208A, for all the words occurring after the words 'such pilgrim' the following be substituted:

'who has given a declaration on oath before an authority appointed in this behalf by the Local Government to the effect that he (the pilgrim) does not intend to return to India within three years'."

Mr. J. W. Bhore (Secretary, Department of Education, Health and Lands): Sir, I am prepared on behalf of Government to accept that amendment if it is moved in the following form.

Maulvi Muhammad Yakub: I have moved it in that form. I have accepted your form.

Mr. J. W. Bhore: Then, Sir, I am prepared to accept it in that form, but I should like to enter a caveat at this stage. If it is found by experience that this amendment is being largely used to render nugatory the essential provisions of this Bill, the Government may later have to reconsider the position.

Mr. President: Am I to understand the form is:

"made a declaration on oath or affirmation in such form as may be prescribed, etc."

Mr. J. W. Bhore: Yes, Sir.

Mr. President: The question I originally put was in the form on the paper.

Maulvi Muhammad Yakub: I moved it, Sir, in the amended form. I had accepted the amended form.

Mr. President: The Honourable Member will observe that the form of the amendment which I put from the Chair was the form he had on the paper. Therefore that is the question before the House. Has the Honourable Member the leave of the House to withdraw that amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. President: Further amendment moved:

“ That in clause 5, in the proviso to new section 208A, after the words ‘ such pilgrim ’ to omit the existing words and to insert the following :

‘ who has made a declaration on oath or affirmation in such form as may be prescribed, before an authority appointed in this behalf by the Local Government, that he does not intend to return to India within three years after the date of declaration ’.”

The question is that that amendment be made.

The motion was adopted.

Khan Bahadur M. Shams-uz-Zoha (Burdwan and Presidency Divisions: Muhammadan Rural): *Sir, the amendment which stood in my name formerly of course I now beg to withdraw and accept the amendment which has been adopted. There have been some changes in the wording made by Mr. Bhore and I accept those changes. I want your permission, Sir, to move that amendment as re-drafted. It runs as follows:

My first amendment stood in this form:

“ After the words ‘ or on the voyage thereto ’ . . . ”

Mr. President: That is to clause 6. We have not come to that yet. Does the Honourable Member move the amendment standing in his name to clause 5?

Khan Bahadur M. Shams-uz-Zoha: I do not move that amendment.†

Mr. President: The question is:

“ That clause 5, as amended, stand part of the Bill.”

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Khan Bahadur M. Shams-uz-Zoha: Sir, I had three amendments to clause 6. The first amendment runs as follows:

“ That in clause 6 (b) of the Bill the words ‘ subject to any conditions or deductions which may be prescribed ’ be deleted.”

I do not move that amendment.

The second amendment ran as follows:

“ That in clause 6 (b) of the Bill :

after the words ‘ or on the voyage thereto ’ the words ‘ or determines subsequently while in Hedjaz to live there permanently ’ be inserted.”

* Not corrected by the Honourable Member.

† “ That in clause 5 to the proviso to the proposed section 208A, the following be added :

‘ For securing such certificate either an affidavit to that effect sworn by the pilgrim concerned before a court, or his submission of certificates to that effect from two respectable gentlemen of the locality, would be considered sufficient ’.”

[Khan Bahadur M. Shams-uz-Zuha.]

That has been re-drafted, and it now runs:

“after the words ‘voyage thereto’ the following shall be inserted, namely:

‘or does return to British India before the expiration of one year from the date on which he paid for the return ticket or made such deposit’.”

The next one (b) in the revised form is:

“after the words ‘legal representative’ the words ‘or the pilgrim himself, as the case may be’, shall be inserted.”

Sir, in moving these two amendments I only make the case of those persons a little easier who were not thought of before, namely, some persons who, while going to the Hedjaz and of course making a deposit or purchasing a return ticket, subsequently change their mind and, finding the land suitable, may decide to live there permanently. So in their case of course it would be hard if they lost any portion of their deposit or return ticket, and so I make these additions. Instead of legal representatives, in their case the money ought to be refunded to the pilgrims themselves because, while they live there, they may want the money for their expenses on the land; and so I have inserted the words ‘as the case may be’; that is to say, as the situation will demand, the money will be paid to the legal representatives or the pilgrims themselves. In moving these amendments of course I have nothing more to say but that in these cases Government should make very lenient provisions so that the poor people may not have occasion to complain of suffering. It is of course admitted on all hands that in the British Dominions the facilities for religious observances and toleration prevail which can be found nowhere else. The Muslims of course consider this land as the garden of Islam, and of course it was for that reason, Sir, that at first when this Bill came into existence, at its inception, I was not so favourably impressed and I was willing to oppose it *in toto* because it might be distorted and interpreted as a religious interference by of course some interested persons, which of course the British Government are pledged never to do in the case of any nationality, far less in the case of Muhammadans who have to obey strict religious injunctions to protest against such sort of a measure. Sir, it was for that reason that I was willing to oppose it. Of course subsequently I consulted Ulemas and I came to find out the reason of it. However it may be expedient and necessary to have a Bill of this kind, it must be said, Sir, that it is an unfortunate measure, and it would have been better if it had not seen the light of day, because, Sir, this is a time when of course everywhere there is . . .

Mr. President: Order, order. The Honourable Member should have delivered that speech earlier.

Khan Bahadur M. Shams-uz-Zoha: I said that *subsequently* I changed my mind.

Mr. President: I am not concerned with the merits of the Honourable Member's opinion. These remarks are not in order on these amendments. The debate is now confined to the question of the refund of the passage-money on the death of or a declaration by the individual in question if he does not propose to return. That is a very narrow issue.

Khan Bahadur M. Shams-uz-Zoha: These insertions, Sir are designed simply to make it more convenient in the case of those persons who subsequently change their mind and reside in Arabia; and with these remarks, Sir, I move the amendment.

Mr. President: Further amendment moved:

"That in clause 6 sub-clause (b), after the words 'voyage thereto' to insert the following words, namely:

'or does not return to British India before the expiration of one year from the date on which he paid for the return ticket or made such deposit.'

The question is that that amendment be made.

The motion was adopted.

Further amendment moved:

"After the words 'legal representative' to insert the following words, namely:

'or the pilgrim himself, as the case may be.'

The question is that that amendment be made.

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Khan Bahadur M. Shams-uz-Zoha: Sir, in the case of clause 7 the first amendment runs as follows:

"That in clause 7, in the proposed section 209A (1), for the words 'thirty days' wherever they occur the words 'fifteen days' be substituted."

This has been subsequently re-drafted and now runs as follows:

"That in clause 7 in sub-section (1) of new section 209A, for the word 'thirty' the word 'twenty-five' shall be substituted."

This also, Sir, has been done of course in consultation with the Member in charge of this Bill and with others of my Muhammadan colleagues because thirty days would be too long a period, and so it was thought that some reduction should be made. At first I proposed that it should be made fifteen days but, as the majority agreed to the proposal of the Honourable Sir Muhammad Habibullah, it was of course accepted by all that it should be made 25. Sir, I move the amendment.

Mr. President: Amendment moved:

"That in clause 7, in sub-section (1) of new section 209A, for the word 'thirty' the word 'twenty-five' shall be substituted."

The question is that that amendment be made.

The motion was adopted.

Khan Bahadur Sarfaraz Hussain Khan (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, the amendment which I move is in the following terms:

"That in clause 7 of the Bill, in sub-section (1) of the proposed section 209A, for the words 'he presents his ticket to' the words 'his ticket reaches' be substituted."

To explain my meaning I think I had better read the whole section so that the House may see how it fits in there. The proposed section 209-A, sub-clause (1):

"209A. (1) Port-clearance shall not be granted from any port in British India to any pilgrim ship unless or until the master owner or agent and two sureties resident

Cost of return journey of pilgrims on ships other than those for which return ticket is available.

in British India have executed in favour of the Secretary of State for India in Council a joint and several bond for the sum of ten thousand rupees, conditioned that, if any pilgrim who has been carried to the Hedjaz by that ship with a return ticket issued in British India within the previous eighteen months is, owing to his inability to obtain accommodation on a ship for which the return ticket is available, detained at Jeddah for a longer period than thirty days from the day on which he presents his ticket to the British Consul at Jeddah. . . ."

[Khan Bahadur Sarfaraz Hussain Khan.]

Now here are the words "presents his ticket to." For these words I wish to substitute the words "his ticket reaches." What I mean is that at times it may be very difficult for people, specially old and female or even young, just after the expiry of the prescribed time to go to the Consul at Jeddah. What I wish is that such persons—whether men or women—may be permitted to post or send their tickets to the Consul. I therefore ask for the substitution of the words "his ticket reaches" for the words "he presents his ticket to". So that it may be more easy and convenient to the man to send the ticket than that he should himself go and present it. Thus, "his ticket reaches" would be better inasmuch as it will as a matter of course add to the convenience of the man sending the ticket. With regard to the removal of destitution, what you have done is simply to make provision for return tickets. Beyond this you have done nothing. It is a very small provision indeed. Objection has therefore very rightly been taken by a large number of Muhammadans, specially the orthodox class. For this piece of objectionable legislation, what you have done is simply to provide for the return tickets or deposits. That is all. By the courtesy of Mr. Bhore I have just got this information. Look at the comforts and conveniences which pilgrims get in Egypt. Let me read it:

"In reply to the Indian Government's telegram, a copy of which was communicated to you by the First Secretary of the . . ."

This is the order:

"Each pilgrim who is desirous to proceed to Mecca shall deposit into the Local Government Treasury the sum mentioned herein . . . from the nearest railway station."

Mr. President: Order, order. The Honourable Member is proposing a verbal change. If he explains the meaning of his verbal change, the House will no doubt follow him, if he cannot do so, the House will not!

Khan Bahadur Sarfaraz Hussain Khan: I was reading it, Sir, to show to the House the amenities given to the pilgrims in Egypt.

Mr. President: We are not discussing the amenities given to the pilgrims in Egypt. We are discussing the precise manner in which the ticket should reach the hands of the British Consul in Jeddah.

Khan Bahadur Sarfaraz Hussain Khan: I have already said that in order to minimise the inconvenience to the pilgrims it would be better if they post their tickets to the Consul at Jeddah. It may however be said that tickets may be stolen by some people who may make use of them. But men take jolly good care of their tickets and there will be very rare chances of their being stolen. I therefore think it is better that pilgrims should be permitted to send their tickets to the Consul, instead of presenting them to him. I therefore move my amendment.

Mr. J. W. Bhore: I am afraid, Sir, we cannot accept this amendment, as its adoption would lead to hopeless confusion and endless fraud, and personally, so far as the convenience of individual pilgrims is concerned, I do not think it can make the slightest difference, for every pilgrim must come to Jeddah if he wants to take ship to get back to India. All that we ask is that when he comes to Jeddah, he should present his ticket there. For this reason, I oppose the amendment.

Pandit Shamlal Nehru (Meerut Division: Non-Muhammadan Rural): What objection can you have if the ticket is presented on behalf of a pilgrim?

Mr. President: Amendment moved:

"That in clause 7 of the Bill in sub-section (1) of the proposed section 209A for the words 'he presents his ticket to' the words 'his ticket reaches' be substituted."

The question is that that amendment be made.

The motion was negatived.

Khan Bahadur M. Shams-uz-Zoha: Sir, the amendment which I have to move runs thus:

"That in clause 8 in sub-clause (b) after the words 'or on the voyage thereto' the words"

Mr. President: The next amendment standing in the name of the Honourable Member is to substitute "two rupees" for "one rupee" in the proposed section 209A(1).

Khan Bahadur M. Shams-uz-Zoha: I have the honour to withdraw that amendment, Sir.

Clause 7, as amended, was added to the Bill.

Khan Bahadur Shams-uz-Zoha: My former amendment ran thus:

"That in clause 8, in sub-clause (b) after the words 'or on the voyage thereto' the words 'or to the pilgrim himself who subsequently determines to live permanently in Hedjaz as the case may be' be inserted."

But I have redrafted my amendment as follows:

"That in sub-clause (b) of clause 8 after the words 'voyage thereto' the following shall be inserted, namely:

'or to pilgrims who do not return to British India within the period provided in section 209 or to the nominees of such pilgrims'."

I withdraw my first amendment and I have the honour to move the redrafted amendment.

Haji Wajihuddin: Sir, I second the amendment.

Mr. President: Amendment moved:

"That in sub-clause (b) of clause 8 after the words 'voyage thereto' the following shall be inserted, namely:

'or to pilgrims who do not return to British India within the period provided in section 209 or to the nominees of such pilgrims'."

The question is that that amendment be made.

The motion was adopted.

Clause 8, as amended, was added to the Bill.

Mr. J. W. Bhore: Sir, I beg to move that clause 9 be deleted.

Mr. President: The question is:

"That clause 9 stand part of the Bill."

The motion was negatived.

Mr. J. W. Bhore: I beg to move a purely formal amendment, namely, that the word "second" be inserted before the word "amendment" in clause 1. This has been necessitated by the fact that since this Bill was introduced a second amending Bill has already been passed giving effect to the provisions of clause 9.

Mr. President: Amendment moved:

"In clause 1 to insert before the word 'amendment' the word 'second'."

The question is that that amendment be made.

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Mr. J. W. Bhore: Sir, in the Preamble I beg to move another formal amendment, namely, the insertion of the word "further" after the word "expedient." That also has been necessitated by the fact that the second amending Bill has already been passed.

Mr. President: The question is:

"That this be the Title and Preamble to the Bill."

Amendment moved:

"In the Preamble after the word 'expedient' to insert the word 'further'."

The question is that the amendment be made.

The motion was adopted.

The Title, and the Preamble, as amended, were added to the Bill.

Mr. J. W. Bhore: Sir, I do not propose to move for the third reading of the Bill to-day because we should like to examine the Bill from the draftsman's point of view in view of the numerous amendments that have been proposed.

The Assembly then adjourned for Lunch till Three of the Clock.

The Assembly re-assembled after Lunch at Three of the Clock, Mr. President in the Chair.

RESOLUTION *RE* LEGISLATIVE COUNCIL FOR AJMER-MERWARA.

Rai Sahib M. Harbilas Sarda (Ajmer-Merwara: General): Sir, I rise to move the following Resolution:

"This Assembly recommends to the Governor General in Council that he will be pleased to establish a Legislative Council for Ajmer-Merwara."

The matter of the motion must not be taken to be of local importance only, as affecting only a small part of the country. The history and traditions of Ajmer-Merwara, its great strategical importance, its peculiar geographical situation—situated as it is in the heart of the land of the Rajputs, and more than 220 miles away from the nearest British territory—and its great religious associations invest the question of its administration with an importance which will be felt more and more as time progresses.

As that noble historian and political officer Colonel James Tod, whose memory is revered throughout Rajputana, says, Ajmer is celebrated in the history of the Moghuls as well as the Hindus. It was the last capital of the Hindu Empire in India. Ajmer was the place where the splendours of Rajput chivalry and the resplendant glories of the Chauhan empire shone so brightly as to light up the firmament of the whole of Southern Asia.

Even now Ajmer contains one of the most important of the Hindu places of pilgrimage as also one of the sacred Moslem shrines in India. The importance of Ajmer and the part it has played in the political history of the country is best illustrated by the fact that no one achieved political supremacy in this great country until the possession of Ajmer adorned his ambitious brow.

Ajmer, Sir, was one of the earliest possessions of the British in India: it became a part of British India long before Delhi, Agra, Lahore, Lucknow, Allahabad, Karachi or Nagpur passed into British possession.

Diwan Bahadur T. Rangachariar: Not before Madras.

Rai Sahib M. Har Bilas Sarda: Not before Madras, but I am not comparing Ajmer with Madras; I am asking for things which you have already got. And if any province deserves well of the British Government, it is Ajmer-Merwara. For it was this small province, this district of Merwara, which furnished the highest percentage of fighting men in India to the Government during the world war. I remember well the head of the Province declare with evident pride in a public meeting in Ajmer after a prolonged tour in Merwara in 1916 that he had been to all the villages in the district and had looked in vain for grown up men in the villages, that all who were capable of bearing arms were serving their King either in Flanders or in Mesopotamia or Africa, and that only women, children and old men were to be seen in the villages and the hillsides of this nursery of soldiers.

Ajmer is called the heart of Rajputana. It is here that those vital impulses are generated that reach the furthestmost parts of this great Province. Being the centre of Rajputana it radiates light which lights up all the nooks and corners in this historic province and affects the lives not only of the millions who reside there, but of millions who possessing homes there, are spread all over India and are found in large numbers in Madras, in the Central Provinces and Khandesh, in Sind and all over the Bombay Presidency, in Hyderabad, in Bengal, in distant Assam, in Rangoon, in Singapore and in Africa. Their happiness and prosperity are affected by the political conditions and administrative changes in the homelands of this race of born traders and business men. These homelands take their cue from this important province of Ajmer-Merwara, which in all matters administrative or social, is looked up to by the rest of Rajputana containing the most important and ancient Rajput States of India. What Ajmer thinks to-day, the rest of Rajputana will think to-morrow.

The form of administration of Ajmer-Merwara is thus of importance not only to the citizens of this British province, but also to those who reside in Rajputana, a province as large as France, and are spread over and engaged in commercial pursuits all over India. In this sense the question of the administration of Ajmer-Merwara travels beyond the limits of provincial importance and enters into the domain of national interests.

But while the situation and circumstances of this province make it of especial importance, its small size subjects it to serious drawbacks. In big provinces the outcry reverberates throughout their length and breadth and

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even beyond them, and the volume ensures hearing. Then the income and the extent of territory makes possible the maintenance of regular and permanent services and makes the members of those services take real interest in its problems, its conditions, in its welfare, as they have most of them to pass their lives there. Not so in small provinces, and particularly those under the Political Department of the Government of India.

Rightly or wrongly, the British Government have accepted the ideal that the Government of India shall be a federation of provinces, all self-contained and independent, with only foreign relations and national security centralized. This involves provincialization of services, and the breaking of many of those bonds which serve to unite the various provinces together and to cement the various parts of the country into one whole. It is a question whether the present policy, if carried to its extreme logical conclusion, in a country like India will not to some extent hinder the building up of the Indian nation as a unit, as an organic unity gathering together nourishment from every part of it and supplying vitality to its various component parts by a single alimentary canal reaching its furthest limits. I believe, Sir, that provincialisation is demanded in India, not because it has any virtue in itself, but because Government have conceded control of services and local interests in provinces to local Councils and Ministers who would be Indians and who would thus be able to exercise some control over the administration.

I believe, Sir, that nationalisation of the important and skeleton services would be more useful to the country in keeping up a high standard of efficiency and in strengthening the unifying influences at work in the land. Whether this view is right or wrong, I think it is desirable that a Government, imperial in character, with an imperial outlook, should not shape the administration of each province or district irrespective of attendant considerations, merely on the relation its revenue bears to its expenditure. Certain principles applicable to big provinces cannot with justice or fairness be strictly applied to small but important provinces.

Ajmer-Merwara, though in no way behind the bigger provinces in intellectual and moral evolution, is being left behind in the race through no fault of its own, but owing to historic incidence, owing to circumstances beyond the control of its inhabitants. Ajmer-Merwara with a history and traditions second in importance to no other province, inhabited by a people who in intelligence, industry, enterprise and loyalty are able to hold their own anywhere, have to live in unsatisfactory conditions, in spite of the efforts of some of the best officers that have served any Government, as the administration is starved and educational facilities to the people denied. If literacy is any test of the fitness of a province to secure representative institutions and a Legislative Council, Ajmer-Merwara is far in advance of many a province which possesses a Council. The Punjab and the United Provinces are situated nearer to Ajmer-Merwara than any other British province. Now, according to the census of 1921 the average literacy of Ajmer-Merwara is 113 compared to 37 in the United Provinces and 25 in the Punjab. The electorate in Ajmer-Merwara is thus much better educated, if I may use the word, than in these neighbouring provinces. Let us apply another test. It has often been said that the fitness of a province to possess a representative Assembly is in proportion to the number of electors that go to the polls. If we apply this test to the various provinces

of India, Ajmer-Merwara would be found to be the foremost province in India entitled to possess an elected Council; for, at the last Assembly elections 75 per cent. of the voters went to the polls, as compared with 53 in the Punjab and 45 in the United Provinces. No single constituency anywhere in India sent more than 70 per cent. or 65 per cent. of its voters to the polls. Ajmer-Merwara sent 75 per cent.

Leaving aside this view, it may be noted that while the rest of India is making progress towards self-government there has been little progress in the administration of Ajmer-Merwara. The Province is still a scheduled one: local laws passed 50 years ago are still in force practically unimproved. The Municipalities Act passed 40 years ago stands intact. And whenever a new Regulation is made in any matter, it is framed and passed without the people having any voice in the framing of it.

Now, Sir, a great injustice was done to my province when it was made a Scheduled District. Up to 1870 A. D. it was a part of the North-Western Provinces and was administered by the Lieutenant Governor of that Province. In 1871 it was taken away from the North-Western Provinces and made a minor administration under the Government of India and was placed under the Agent to the Governor General in Rajputana as an *ex-officio* Chief Commissioner. The Scheduled Districts Act of 1874 was applied to it in 1877 A. D. This was a great injustice. Sir, the Scheduled Districts Act is intended for very backward tracts of the country. The Honourable Mr. Hobhouse while presenting the Report of the Select Committee on the Scheduled Districts Bill and Laws Local Extent Bill in the Council of the Governor General of India on 8th December 1874 referred to the power conferred by the Acts on the Executive Government and said:

"In fact it was supposed by some that with regard to certain *outlying* districts which we now call Scheduled Districts, the Local Governments were to have absolute and unlimited powers of altering the law from time to time by proclamation and similar summary process."

He further said:

"Other enactments again known as deregulationising Acts have been passed for the purpose of removing from the operation of the General Acts and Regulations certain districts which were too backward to benefit by them and of giving large powers of administration to the Executive in those Districts."

Towards the end of his speech he again used the words "except the backward parts called the scheduled districts".

Sir Courtney Ilbert in his "Government of India" (chapter 2, page 145) says:

"Besides the formal power of making laws through the Legislative Council, the Governor General has also, under an Act of 1870 power to legislate in a more summary manner by means of Regulations for the government of certain districts of India of a more backward character which are defined by orders of the Secretary of State and which are scheduled districts within the meaning of certain Acts of the Indian Legislature."

These extracts will show that backward parts of the country, outlying districts of India, were the tracts intended to be treated as scheduled districts, and the Scheduled Districts Act was intended to be applied to them only. By no stretch of imagination, no straining of the English language, could Ajmer be called or treated as a backward province, deficient in the possession of the necessary elements of a civilised part of the country, as being inhabited by a people in any way behind Agra, Delhi, Cawnpur, Lahore, Ahmedabad or Poona in the common amenities of civilisation in

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social or moral evolution, in the peaceful arts of life or in intellectual culture. Is the fact that Ajmer was once the capital of Upper India under the Chauhan Emperors, or, where the high traditions of its elevated position, courtly manners, high Hindu culture and refinement—concomitants of the seat of empire—still linger, a proof of its backwardness? Is the fact that it contains the most ancient sacred places of the Moslems and the Hindus in this country, places of pilgrimage where Hindus and Moslems from all parts of India have for centuries been meeting and bringing to bear on them the best that is in them, evidence to show that the place is a semi-civilised one, or is it that its flourishing cotton, lace and dyeing industries, its higher average literacy than that of most of the other provinces of India, the peaceful pursuits of its residents, the total absence of violent crime in it, that make it a backward tract? The answer can only be an emphatic "No". How is it then that it has been classed as a scheduled district? There is a Persian proverb, Sir, *Ay raushani-e-taba tu bar man bala shudi*. ("Oh enlightenment, thou hast become a source of trouble to me.") Its important strategical and political situation, situated as it is at the head of the watershed of India, and commanding equally all the great Rajput States from its central position has been its misfortune. Government knew well from the beginning that Ajmer was more advanced in the amenities of civilisation than many regulation provinces and was abreast of the best of them, yet because of the political considerations that its geographical situation in the midst of great and historic Rajput States gave rise to, it was considered necessary to treat it in a especial way. That is why it was made a non-regulation province. The Ashworth Committee's report of 1922 on the Administrative and Judicial arrangements in the Province of Ajmer-Merwara under the heading of "Historical Retrospect" after mentioning that in 1853 Ajmer-Merwara was administered by the Government of the North Western Provinces through a Commissioner who was assisted by a Deputy Commissioner and an Assistant Commissioner, says:

"From 1858 the office of the Commissioner was held *ex-officio* by the Agent to the Governor General in Rajputana who was subordinate in his former capacity to the Government of the North Western Provinces and in his latter capacity to the Political Department of the Government of India. This was found to be an undesirable system. The Agent to the Governor General in Rajputana could not spare sufficient time for the constant correspondence which his position as Commissioner under a Local Government entailed, while his subordination as Commissioner to a Local Government was detrimental to his influence as Agent with the Indian provinces. *At the same time, the situation of Ajmer-Merwara among Indian States in the heart of Rajputana was held to render necessary the retention of its administration by the Agent to the Governor General.* Accordingly in 1871 the province was taken under the direct administration of the Government of India in the Foreign Department, that department being preferred to the Home Department on the ground of the district's geographical position among Indian States and of its circumstances requiring less rigidity of procedure."

It is thus clear, Sir, that it was not because of the people being backward that it was made a non-regulation province but because this was necessary for the furtherance of the foreign policy of the Government of India in its dealings with the Indian Princes. And as the Government of India in the interests of their foreign policy would not allow Ajmer-Merwara to be administered by the Home Department or as a regulation province, which it fully deserved and to which it was fully entitled in every sense of the term, and as Government had at their command no other machinery of administration except what was provided by Statute 33 Victoria c.3, Act I of 1870 was applied to it and it was subjected to all the hardships, the injustices, the disabilities and disqualifications of a scheduled or a backward province. Sir,

any province has thus been suffering from a wrong done to it by Government, perhaps without in any way intending to injure the people or designedly retarding their progress. But the times have changed, the goal of British policy in India has changed, old methods have been discarded and new ones adopted and the interests of my province imperatively demand that to save it from permanent injury, it should be given the benefit of the measures which the Government in their wisdom have considered it necessary to apply to the rest of India to ensure the progress and happiness of its people. (Pandit Shamlal Nehru: "What are the benefits that the rest of India enjoys?") Why, the application of the Reform Scheme, the increasing association of the people with the administration and with the Government. The latest authoritative report on the administration of Ajmer shows how great the need for a reformed administration there is in Ajmer-Merwara. At page 10 it says that "there is urgent need of the revision of the Ajmer-Merwara Regulations". Further on (page 12) it says: "Further, while we agree that the administration as it exists is amateurish, we are impressed with grave deficiencies which exist." Is there not a sufficiently strong case for us to ask Government to undo the wrong done to us however unwittingly and unintentionally, and to associate us in the administration and frame laws and regulations with the willing co-operation and the loyal assistance of the people in a Legislative Council and thereby ensure the advancement, the happiness and contentment of the people, who have proved their loyalty, and who stand abreast of the most advanced and enlightened of the provinces of India in intellectual and moral evolution?

I must acknowledge here the great benefit that the province has received under British rule. Government received possession of Ajmer in 1818 from Scindia. Since then, great improvements have been made. While the Moghul Empire was declining and dissolving, the possession of Ajmer owing to its central position, was coveted by the different warring elements in the country and it became a bone of contention in the 18th century between the Moghuls and the Rajputs, and later between the Rajputs and the Mahrattas. The population of Ajmer in 1818 sank to 25,000 men all told. With the era of peace and settled Government ushered in by the British Government, the population began to increase, until it is now a lakh. Beawar, which, a hundred years ago, was a small village, has now become one of the most important commercial centres of India, with a rising cotton industry of considerable importance and a wool trade second only to Fazalka. The district of Merwara, inhabited by a people who in olden days preferred the sword and the rapier to the plough, was made an agricultural district and a centre of industry. Its daring people who enjoyed virtual independence till 1820 A. D., who plundered the camp of Emperor Jehangir and did not allow Aurangzeb and even Maharaja Sawai Jai Singh of Jaipur to pass unmolested by it, have been converted into agriculturists, industrialists and soldiers. But while acknowledging the good done to Ajmer-Merwara in the past, it is our duty to see that the people of that province who stood fast by the Government and shed their blood freely on the battle fields of Flanders and Mesopotamia are allowed to march with the times and keep abreast of the other provinces and not left behind them.

In Ajmer-Merwara, the European Civil officers belong to the Political Department of the Government of India and though some of them are masters of their craft and are sympathetic, they are handicapped in various ways. The fact is that most of those who come to the province have little experience of administration. As Mr. Reynolds, recently Commissioner

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of Ajmer-Merwara, says (*vide* page 29 of the Ashworth Committee's Report):

"Under the existing system there is no certainty that either the Chief Commissioner or his First Assistant (now Secretary) will have any administrative experience of Ajmer-Merwara or indeed any administrative experience at all, the appointment being made from the cadre of the Political Department which is composed of officers, many of whom have never served in 'Internal India'. Similar criticism applies to the Commissioner. Some Commissioners have had revenue knowledge, some judicial, most of them have had neither, and in only one instance during the last fifteen years has the incumbent of the office had, prior to his appointment, any recent experience of district work."

These are the words of Mr. Reynolds. Regarding the work of the Commissioner, he further says:

"The Commissioner, in addition to being Sessions and Civil Judge and District Magistrate, a combination of duties which in the present day it will, I think, be found hard to defend, is Director General of Education, Inspector-General of Jails, Inspector-General of Forests, Chairman of the District Board, Convener of the Managing Committee of the Mayo College, Registrar General of Births and Deaths in Rajputana."

and Mr. Reynolds forgot to mention Collector of Revenue and Inspector General of Registration.

He adds:

"In addition, he has general supervision over Excise, Income-tax, Co-operative Societies and the ordinary duties of district, municipal and revenue work. Though practically the final arbiter on these special branches he is as a rule entirely innocent of any knowledge of education, forests, co-operative societies, excise and such matters. Common sense is his only and not always a safe guide in matters requiring technical knowledge and experience."

The seriousness of the drawback increases with the development of the administrative machinery of British India, the changing of the goal of British policy and the awakening of the people to a consciousness of their position and their rights. The acquaintance of these officers with the conditions and circumstances of the province is meagre and superficial and their interest in its welfare, inspite of their goodwill, of a fleeting nature owing to the fact that there is no permanent bond between them and the province, as is the case in bigger provinces. The Commissioner of Ajmer is to-day in Ajmer and to-morrow he is Resident of Kashmir. Owing to these conditions, in all matters executive and judicial, rules and regulations framed by other Provincial Councils and Governments to suit their own requirements are applied to this province.

The Honourable Sir Alexander Muddiman: I have no desire, Sir, to interrupt the Honourable Member, but for the last ten minutes he has been talking about the administration and administrative officers of Ajmer-Merwara; the point before us is whether legislative institutions should be given to that province.

Rai Sahib M. Har Bilas Sarda: I do not quite follow the point of order.

Mr. President: The Honourable the Home Member rose to draw the Honourable Member's attention to the fact that by the terms of his own Resolution we are confined to the discussion of the establishment of a Legislative Council for Ajmer-Merwara and that the conditions of administration there do not enter into such discussion.

Rai Sahib M. Har Bilas Sarda: I only say this, that such being the case, if the people of the province have their own Legislative Council and are associated to some extent with the administration some of these evils would be minimised. That is all I have to say. I know that the officers there are doing the best they can according to their lights; but the conditions of service are such that it is impossible that they can do all that should be done by them.

If, however, there were a Council, the representatives of the people in view of the chronic famine conditions obtaining there, necessitating periodic adjustment in certain matters, and in view of the especial requirements of the province owing to its peculiar geographical and political situation, would not apply those measures in their entirety, without material modifications.

It is unnecessary for me to take all the Regulations and Acts applied to Ajmer-Merwara from time to time—Regulations which were framed for the North West Frontier Province, the Punjab and other Provinces and which were applied to Ajmer-Merwara without considering whether they were good or not for the interests of Ajmer-Merwara. I only say generally that these officers belonging to the Political Department do their best, but notwithstanding all that, the people suffer because the conditions of service.

It will perhaps be said that there is no desire whatever to withhold the benefits of a Council from Ajmer-Merwara and that the Government wish to give the same voice and the same status to the people there as to those of the United Provinces or the Punjab, but that its financial resources do not allow of the application of the scheme. This objection when examined in the light of justice and fair-play would not be found to be tenable. In the first place, the province is really self-supporting. It is not now a deficit province. According to the Inchcape Committee's Report, of the ten minor administrations Ajmer-Merwara is the only surplus one. It is, however, said that if certain Public Works Department charges are included, the expenditure would slightly exceed the income. We think, Sir, that some of these charges are not properly chargeable to Ajmer. Moreover, the Public Works administration of Ajmer-Merwara is unjustifiably top-heavy. There is only one Executive Engineer in the province and over him there is a Superintending Engineer. So is the case with the Police; there is a single District Superintendent of Police and over him there is an Inspector General of Police. Surely there is ample room for reduction of expenditure.

Leaving the question of top-heavy administration aside, is it any fault of the people of Ajmer-Merwara that the province is a small one? The Government took possession of it, because of its supreme political importance. The Moghuls and the Afghans did the same before the British and for the same reason. But in the Moghul times, leaving aside other things, the people of Ajmer enjoyed the same rights as those of Agra or Allahabad. Are we, who are equally advanced with the people of other provinces in the peaceful arts of life and in intellectual culture, not entitled to the same rights and privileges in provincial matters, as those around me are? Once the Government take possession of any part of India, they by the very act of taking possession, undertake certain liabilities and duties and one of them is that its people become entitled to enjoy the same rights and privileges as people in the same stage of social and moral evolution in

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other provinces do. Why are we, then, though equally the subjects of His Majesty as those of the United Provinces or Madras, and perhaps more serviceable in war, not to have the same voice in the administration as they have, when in the scale of civilization and peaceful arts of life we are in no way behind them?

As the Government of India pay immense regard to precedent—witness their judicial administration, for in a court of law a previous ruling is generally decisive—I will quote a precedent in support of my case. Government have given a Legislative Council to a province much smaller and infinitely less important than Ajmer-Merwara. It is Coorg. The area of Coorg is about half of that of Ajmer-Merwara while its population is only a little over a third. Coorg has not one town worth the name, Mercara with a population of 5,675 souls standing on the border line between a town and a large village; while my province contains the city of Ajmer with a population of a lakh (the last census report says 114,000) and occupying a most important place in the hearts of the Hindus and the Moslems, for no other city in India, so far as I am aware, enjoys the surname Sharif (great)—not even Delhi, not even Simla.

Besides Ajmer, there is Beawar, which is not only one of the most important commercial towns in the country but the second greatest market for wool in the whole of India. There are others with a larger population than the chief town of Coorg. Ajmer is an older possession of the British than Coorg. There is not a single college in Coorg and only one high school. In Ajmere there is a first grade Government College, one of the oldest in upper India and one of the most efficient thanks to the life-long labours of the late Principal, Mr. E. F. Harris, to whom Ajmer owes a debt of gratitude. The beginnings of English education in Ajmer-Merwara carry us to the early thirties of the last century. Then there is the Mayo College, the premier College for the Princes of India. The city of Ajmer alone has a number of large high schools and even those are too few for the boys seeking education. Ajmer is a Bishopric, and contains several European schools. If, then, Coorg has been given a Legislative Council to enable the people to participate in its administration, what valid reason is there that Ajmer-Merwara should not have one? Having a seat in the Legislative Assembly, when that Assembly does not legislate for the province, is no substitute for a Legislative Council to frame local laws.

I wish here to say that we do not want a big Council with its usual appurtenances. A Council of, say, 15 or 20 would answer our purposes. We do not want a highly paid Legislative Department. Our Council need not be an expensive one. The circumstances of Ajmer admit of Government giving us a Council without adding appreciably to the expenditure of the province, but adding appreciably to the satisfaction and contentment of the people.

I wish to add, Sir, that if Ajmer-Merwara had not been a non-regulation province, not a scheduled district, but had been administered by the Government of India with the assistance of the Legislative Assembly, the case would have been somewhat different.

His Excellency the Viceroy has often given very wholesome and useful advice to the Indian Princes asking them to recognize the spirit of the times and to associate their people in the administration of Indian States.

Nothing will make this advice more effective than the establishment of a Legislative Council in the heart of Rajputana as an example for them to follow, an act for them to emulate.

I appeal to Government therefore to consider our request, to consider the priceless services rendered by Ajmer-Merwara in the great war, to consider its present unique and important position, to consider its high development in the peaceful arts of life, to consider its past history and the glories it is heir to, and to consider the far-reaching beneficent consequences that the progress and advancement of Ajmer-Merwara in representative government would have on the lives and happiness of the millions that inhabit Rajputana and are engaged in trade, industry and are abreast of the people of the most advanced provinces in India in culture and civilization, and extend the benefits of a Legislative Council to Ajmer-Merwara which justice demands and policy sanctions.

Mr. E. H. Ashworth (United Provinces: Nominated Official): Sir, in the speech of my friend from Ajmer we have heard very little about a Legislative Council. We have heard a good deal about the inequity of the province being a scheduled area. It requires, I think, but one word to reply to that. The scheduled areas are not always backward districts. The Honourable Member himself gave the reason why Ajmer-Merwara is a scheduled district; it is because of the less rigidity of the system. He himself complained that several of the Regulations had not been altered for 20 or 30 years. I can assure him that under the Scheduled Districts Act it is infinitely easier and much more expeditious to alter any Regulation than it would be if the area was under the ordinary regulations applicable to the non-scheduled districts. He has said again that he demands equal rights for Ajmer-Merwara. Well that I think we are willing to allow to him. The only thing is this, the equal rights must be equal rights that is to say corresponding to the area, importance, population and finances. As such, Ajmer-Merwara is only entitled to the rights of a district. It is not entitled to the rights of a province. There is no other district—I will mention Coorg later on—that I know that even has as much as Ajmer-Merwara has, namely, an elected Member on this Assembly. The reason that I oppose the Resolution is this. It asks for a shadow instead of the substance. We often hear objections in this House to Government's granting shadows instead of substance. Here I think Ajmer-Merwara at present has a reality, namely, representation on this Council. It is now asking for the shadow or what I may call a mock Legislative Committee. The Committee of 1921, amongst other questions, considered how the people of this area could be given a share in the administration and how that administration could be more liberal than it was. In their report the Committee's reply on this matter was as follows:

"It would appear to us that a Legislative Council on the lines of the Legislative Councils of the big provinces is impossible. The Report on Indian Constitutional Reforms does not contemplate a Legislative Council for Ajmer-Merwara (see paragraph 199) but merely some form of Advisory Council in association with the present administration of the Chief Commissioner. A system of representation based on a big province as a unit appears scarcely suitable to what is in fact a district."

Now, it is difficult to demonstrate what is self-evident, but I will mention a few facts to justify more in detail these remarks in the report of the Committee. Looking at the general description of Ajmer-Merwara we find the population is not quite 5 lakhs, of which not one quarter are

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Muhammadans and the rest Hindus. The area is slightly bigger than an ordinary district in the United Provinces, but the population is very much smaller. The district is also extremely straggling and sporadic. It is cut in half in one part by outlying villages of the neighbouring States of Merwara and Kishengarh, and in parts the width of the district is only half a mile to two miles. Those are the conditions. I will now mention the question of finance. The figures which the Committee worked on in 1921 were misleading. As a matter of fact I understand that at present, in the last year, 1924, there was a deficit of nearly 4 lakhs. Of course it is possible to say that certain amounts should not be debited to the area, but that was the result of an inquiry held. Any way it is a deficit district. (Diwan Bahadur T. Rangachariar: "What was the revenue please"?) The revenue was stated in the Budget of 1923-24 to be 12·93 lakhs, expenditure 21·90 and the deficit 8·97. Another circumstance that has to be considered when we come to see whether the request for a Legislative Council is reasonable or not is the form of the administration of the district. In the report it is stated:

"At the head of the administration is the Chief Commissioner of Ajmer-Merwara, who is also Agent to the Governor General in Rajputana. He is, as has been shown, the High Court for the province. He also exercises many of the functions of a Local Government, the remaining functions being exercised by the Governor General in Council, a controlling and not an administrative authority. Immediately below the Chief Commissioner is the Commissioner, an officer of the Political Department. But besides his duties as Commissioner he exercises those of District and Sessions Judge, District Magistrate and Collector, Director of Public Instruction, Conservator of Forests, Inspector General of Jails, Chairman of the District Board, Inspector General of Registration, convener of the Managing Committee of the Mayo College, Chief Revenue Authority for stamps and income-tax, and Registrar General for Marriages, Births and Deaths for Rajputana."

(A Voice: "Bishop also"?) To put it shortly, I may say that the actual position of the Chief Commissioner in Ajmer-Merwara is that of a Deputy Commissioner as we would call him in the United Provinces, but he is also his own Commissioner. Well, now, I would ask the House to consider what would be the position of the Legislative Council in such circumstances. Imagine a discussion on the Budget in which a single officer represented every branch of the administration. Next, let us look at the councillors—the communities from which and the classes from which would be drawn the Members of that Legislative Council. I will mention them. They are the Istimrardars, or local barons; the Seths who financed the British Government in the Mutiny; then there are some very well-to-do clans of *malis* and *telis*, very numerous, who take not the slightest interest in politics and who in 1921 thought that the non-co-operators were a new kind of dacoits (Laughter); then we have the Municipal Boards of Ajmer and Kekri, the Indian Christians, the pensioners of the Merwara Infantry and of other regiments which abound in Merwara, the Ajmere political party, the Muhammadans including the Committee of Management of Dargah Khwaja Sahib, the Ajmer Bar, and the large railway community connected with the Bombay-Baroda Railway. In a regular province diversities of status, of interests and of aspirations range themselves under one or other broad political banner, but in a small area they would all operate as independent units. I do not know how a Legislative Council could work under those circumstances. (A Voice: "The Chief Commissioner is also his own Chief Engineer?") In these circumstances, particularly having regard to the small size and population of the area, a

Legislative Council would be a doll's house of a Legislative Council, a Lilliputian affair. But there remains the chief obstacle and that is finance. As long as this area has to be financed by the Government of India, I do not think that this House will consent to give up to a local Legislative Council the right to discuss measures and expenditure. Mention has been made of Coorg. Well, Coorg is not a deficit province, I mean it is not a deficit district, and it is able to pay for what it wants. Whether the Legislative Council in Coorg has fulfilled the expectations of success I do not know, and I have not been able to acquire information on the subject. I am fully in sympathy with the Mover of this motion in his desire to do something for Ajmer-Merwara; it is a most picturesque place and a most interesting territory altogether. The determination of its own future must depend on its ability to pay its way. When it can do this, it may be that it will desire the advantages of merger in the United Provinces. That province is at present unwilling to incur the expense that its merger would entail. As people are apt to value what they cannot get, it is probable that the desire for merger which in 1921 was by no means universal may be more pronounced. If the desire for merger becomes more pronounced and if improvement in the finances of the area should at some future date make the United Provinces ready to reconsider its refusal, then the merger will solve the present political difficulty of representation. I should mention that I have no authority from my own Government in suggesting this; I am merely speaking hypothetically. Should, however, the future enable Ajmer-Merwara to realise the ambition expressed by some for its becoming a pattern State in the heart of the Rajputana States, then by that time experience will have formulated the kind of legislative or advisory Board which is best fitted to function in the small State. I may say that, as far as I know—I am open to correction—there is nothing to prevent the Chief Commissioner of Ajmer-Merwara constituting a small Committee for the purpose of considering any proposed legislation, and he can do so I believe without any legislation in this House. Anyway it appears to me undesirable at present to precipitate matters by setting up a shadow of a Legislative Council in the place of the representation which Ajmer-Merwara now enjoys by the presence in this House of an elected Member—and I may add, a very competent Member—to gain the ear of this House at any time.

Lala Duni Chand (Ambala Division: Non-Muhammadan): Sir, I confess that I do not possess any particular knowledge with regard to the conditions that obtain in the Province of Ajmer-Merwara, but I do think that it is not possible for the Government on any understandable principle not to accept either the Resolution or the principle of the Resolution. Government may not accept the Resolution as it stands, but the Government cannot refuse to accept the principle of the Resolution. The principle of the Resolution is that this Province, call it a district or whatever name you may give it, should have the benefit of the Reforms. In my opinion either of the three courses are open to the Government. One course that is open to Government is to accept this Resolution and establish a Legislative Council there. But I know that there are real and practical difficulties in the way of Government establishing a Legislative Council in such a small Province. That difficulty can however be obviated by adopting another course, namely, that this province may be attached to or amalgamated with some other Province, particularly the United Provinces. I understand that this proposal was made at one time, but the Government did not entertain the

[Lala Duni Chand.]

proposal (Mr. H. Tonkinson: "Which Government?") (Another Honourable Member: "Why not tack it on to Delhi or Bombay?") Certainly Government are in a position to attach this Province to some other Province, so that it may have the benefit of your so-called Reforms scheme. The third course that is open to Government is that, if the Government are not prepared to adopt either of these two courses, they should take it away from the operation of the Scheduled Districts Act and bring it under the direct jurisdiction of the Governor General in Council and the Legislative Assembly. That is the last thing that should be done. I understand that if Government are prepared to make a promise in that direction, my learned friend might be prepared to withdraw the Resolution.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

But if the Government are not prepared to concede even the least to this Province, I think my Honourable friend will be perfectly entitled to have his Resolution supported, I understand by all the Members of this House, because in that case it would be the obstinacy of the Government that would make us take up that position. I submit, Sir, that throughout India there is a demand, a real demand, for the immediate establishment of full responsible government. It is a very serious and earnest demand which it would be difficult for the Government to resist in the near future. This means that there is a good deal of democratic consciousness throughout the country. The question is whether this Province of Ajmer-Merwara should not be allowed to have any benefit of the Reforms Scheme. It is not possible that the Government of this Province should remain in its present state. As I have put it, there is a demand, a serious demand, for the immediate establishment of full responsible government in other parts of India. How is it possible for the Government to have a kind of autocratic and bureaucratic rule in this province for all time to come? In deference to the general political awakening throughout India something must be conceded to this Province also.

I want to advance another argument in support of the acceptance of the principle of this Resolution, and it is this. Every part of India, every province, every district, wants to give expression to its views and to ventilate its grievances through some properly constituted body. If we hold meetings, the Government say that all these things are got up and there is nothing real about them. So, the only way from your point of view, from the Government point of view, is to establish a properly constituted organisation, through which the people may express their views or ventilate their grievances. I submit that this is an argument the validity of which the Government should accept.

Now, if you are not prepared to concede either of these things that I have placed before the House, then what is the position of Ajmer-Merwara? It means that it should be governed by one or two individuals in any way they like. I understand the question of the finances is a very difficult question. I will not be a party to the proposition that other parts of India should come to the aid of Ajmer-Merwara. If Ajmer-Merwara or the people of Ajmer-Merwara, who are represented in this House by my Honourable friend Mr. Harbilas Sarda, are prepared to have themselves taxed or if they are prepared to bear the burden of taxation, there are no reasons why the Government should refuse to establish some sort of Council. My Honourable friend just pointed out that it may be a feasible

thing to have some sort of Committee that should work of course in consultation with the Chief Commissioner or that the Chief Commissioner should work in consultation with this Committee. If this Committee is elected by the people of Ajmer-Merwara my learned friend would have no objection to it. Instead of giving it the rather dignified name of Legislative Council, let it be called a Committee; he would have no objection to it. All that he wants to have is some benefit of the Reform Scheme and I cannot possibly understand so far as I can see on what reasonable or understandable grounds the Government can refuse either to accept this Resolution or the principle underlying this Resolution in some tangible and concrete form. I say my Honourable friend over there just pointed out that he has got great sympathy with this. I say we have ceased to believe in mere expressions of sympathy. Of course nobody could have any kind of belief in mere sympathetic expressions. Of course if you are prepared to give us even the least, we are prepared really to attach importance to that. But if you are merely showering blessings of sympathy on us, we do not want them. I submit, Sir, that something should be done to this small Province, so that it may have the benefit of the Reform Scheme.

Nawab Sir Sahibzada Abdul Qaiyum (North-West Frontier Province: Nominated Non-official): Sir, I do not rise to make a long speech. I simply want to associate myself with the Mover of the Resolution and to support the Resolution wholeheartedly. Sir, I am a bit jealous of his position in a way. I was very much tempted to send an amendment asking for the addition of a few words to the Resolution towards the end of it, i.e., the words "The North-West Frontier Province." But a friend of mine informed me that I would be out of order and that no such additions could be made. Sir, the Mover of the Resolution has put his case so lucidly and so well that I can hardly find any argument to strengthen his case. My humble remarks will be simply confined to one or two points that have struck me. The first is, Sir, about certain objections that were raised on the ground of the smallness of population and area or rather the extent of the area comprising the province. I think that that should not come in the way of constituting a Legislative Council for the Province. If the peculiar position of the district is such that it has to be kept as a separate province, it has still every right to enjoy the full rights of citizenship, provided it stands on equal terms in the matter of education and taxation with the inhabitants of the other regular Provinces. Our only criterion should be whether these people are as civilised as the people in the other Provinces of India and whether they pay the same taxes as the others. If these two things are the same, I do not think that the smallness of the area should be raised as an objection to the grant of a Legislative Council. If it is for the convenience of the Government or for any other particular reason that the area is at present formed into a small administration those reasons should not hinder its progress in any other way.

My second point is, Sir, that you cannot make every Province of the Indian Empire self-supporting. You cannot even make every district of a province self-supporting. You have to adjust these things according to the circumstances and the particular conditions of the country. If a district yields a large revenue and does not require the location of a big cantonment to look after its safety and protection, you make a saving there. But if on the other hand you find a district where on account of its good climate or for some other strategic reasons, you require the location of a big cantonment, you will not be justified in saying that that particular district

[Sir Sahibzada Abdul Qaiyum.]

should be self-supporting. Similarly, if you have a gate-keeper whom you should pay well or have to pay a higher rate of pay for his watch and ward duties, you should not grudge it, because that gate-keeper is really meant for the safety and protection of the whole house not of the particular guard room where he stays. In these circumstances, I think the Mover of the Resolution has fully established his claim for a Legislative Council both on the score of literacy and on the score of the martial spirit which was exhibited by a large number of men who were recruited from that area during the war. It is also a very great centre of pilgrimage both for the Mussalmans and the Hindus. On these grounds, Sir, I wholeheartedly support the Resolution.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I should have thought the Mover of the Resolution would have explained to the House why it was that his Resolution has appeared on a Government day. Since he has not done this, I will tell the House why it has appeared on a Government day. The Honourable Member came to me and asked me for Government time to move this Resolution because . . .

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): Will you give me Government time?

The Honourable Sir Alexander Muddiman: Because he said he belonged to a minority and he could not hope to get his Resolution on the paper by himself. My Honourable friend Mr. Patel inquires why he does not get Government time? He belongs to a majority and can get his Resolutions on the paper whenever he wants them. I have always regarded it as one of the duties of the Leader of the House to see that those who have matter to bring forward of an interesting character should, if they cannot get them on the paper in any other way, be able to ask my assistance in the matter. My Honourable friend Mr. Patel does not come into the minority class. When, in future, he is in that position, I may assure him that he shall have my assistance.

Now, Sir, I pass to the Resolution which is before the House. My Honourable friend in the commencement of his speech drew attention to the importance of the charm of Ajmer. Well, Sir, I also have visited Ajmer and I will bear full testimony that it is a charming and delightful place. He went on with historical arguments and I will give him a few historical arguments too. Now, historically, Ajmer has always been an appanage of the Imperial Government. It was captured by the Mughals in 1561 and for 170 years they held it. It passed to the Mahrattas and they held it when they had the Raj and it came to us in 1818 and we still hold it as a direct appanage of the Imperial Government. (*Mr. V. J. Patel*: "For how long will you keep it?") As long as we can. It will be certainly much longer than my Honourable friend thinks. I have merely used this rather jesting historical argument because my Honourable friend seems to consider that the history of Ajmer-Merwara gave him a demand for some particular position which he has not got at present. I merely say that historically it is what it has always been, namely, an appanage of the Imperial Government. He ought to be proud of it.

Now, speaking more seriously, the question as to how this small province should be dealt with has occupied the time of the Government of India on several occasions. It is, as the Mover of the Resolution pointed out, a district distinguished by the manner in which its inhabitants undertook military service during the war. It is a district which stands high in

point of education and it is a district which, as he pointed out, is the seat of two of the most famous shrines of India. But, Sir, important as it is in these matters, it is not, I think he will agree, a large province. The total population is under 500,000. Now, Sir, in the part of India with which I am most familiar that would be the population of about half a sub-division. I am not one of those who consider that mere population is a test of importance but on the test of population it is comparatively a small district. The Government of India, when they first considered how this district might be brought within the scope of the Reforms Scheme, proposed that it should be transferred to the United Provinces. I am not one of those who believe that compactness and reasonable size are defects in provinces, but there is a limit below which a province can hardly go and 500,000 is rather a small population for a province even from my heterodox point of view. As I have said the Government of India proposed to the United Provinces Government that they should take it over. Well, it takes two to make a bargain. I am not sure whether my Honourable friend will be representing the views of the district from which he comes if he were to affirm that the inhabitants of Ajmer-Merwara would be pleased to lose their identity and be merged in the United Provinces. That is one point. But what is a much more important point is this. The United Provinces Government, seeing that it was a bad bargain, were not inclined to take it over. They were going to lose money over it and provinces in these days, owing to the rigorous check which is exercised by popular Assemblies are very particular not to take over propositions which are not paying propositions. Thereafter, the Government of India considered what else might be done in the matter. My Honourable friend Lala Duni Chand alluded to the prospect of the province of Ajmer-Merwara going to the United Provinces. I have given the reason why it did not go. I do not know whether he suggests that we should have forced the United Provinces to take a district which they did not want.

The next proposal was that the province should have a Legislative Council of its own. That proposal, as my Honourable friend Mr. Ashworth has pointed out, is open to several objections. First of all, I am not sure that this House would be prepared to sanction grants to a province and exercise no control over those grants. Owing to the fact that it is a deficit province, it would require subventions from the Government of India and I should doubt very much whether constitutionally anybody would be willing to support a system by which the grant should be made by one legislative body and it should be discussed in another. Then, the Government of India were finally driven back to the position that the only immediate remedy was to give Ajmer-Merwara representation in this Assembly and they have given it representation in this Assembly. They have given it representation by an elected Member and that elected Member has been able to bring up this debate. And therefore his representation of his area is not merely a figment but is a reality. Finally, I may point out that the Honourable Mover's proposal is of course open to the objection that it would deprive us of his assistance. I am sure he will recognise that he cannot have it both ways. He cannot have elected Members from his province here and a separate Assembly of his own.

Now, it has been argued that because a Legislative Council has been given to Coorg—and I agree that that is a cogent argument—it ought to

[Sir Alexander Muddiman.]

be given to Ajmer-Merwara also. But the conditions in Coorg were different. Coorg is a province that is self-supporting. It is—I speak subject to correction from those who are better informed—it is far more different in its conditions from the adjacent province than Ajmer-Merwara is from the province of the United Provinces and the neighbouring Rajputana States. It is, in effect, an area with its own special features. The Honourable Mover laid considerable stress on various points which are not really germane to his Resolution. He raised the question of the officers who administer Ajmer-Merwara. That of course is not directly on the point he has brought forward. He further raised the question why Ajmer is a scheduled district, and why that state of affairs could not be changed. Again this is not a matter which falls within the scope of the Resolution, and it is not a matter on which I am at any rate at present prepared to give an answer without further examination. Some Honourable Member asked the question why we say this province is a deficit province, and I think he argued that it was not a deficit province. On a point like that I can only quote the figures supplied to me. On the figures I have taken over an average of some years, there was a deficit of 8 lakhs a year. I believe we have received some more recent figures and they are under examination, but I am quoting the figures which I have on the file before me. One Honourable Member observed that he did not want any sympathy. And that he was sick of Government prating about sympathy. I do not propose to give him any sympathy on this occasion. Ajmer-Merwara is, as I said, adequately represented in this Assembly by a very able Member, and I can hold out no hope to him that in the near future, at any rate, the Government of India will be prepared to disturb an arrangement that was arrived at after a full consideration of the merits of the case. If in the near future Ajmer-Merwara is able to balance its budget and stand as a paying proposition and not a losing proposition, I have no doubt the attitude of the United Provinces might be modified, and I have no doubt, if so, the attitude of the Government of India might be modified too; but I fear as at present advised, in existing conditions, the Honourable Member must be prepared to remain as he was under the Moghuls and as he was under the Mahrattas, an appanage of the Central Government.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I feel the main reason for the Honourable Member opposing the Resolution before this House was that Ajmer-Merwara is a province which is not able financially to balance its budget, and that the Central Government have had to meet a deficit of an average of Rs. 8 lakhs a year during the last seven years. I feel, Sir, that for that result it will be difficult to maintain that the people of Ajmer-Merwara should be checked in their very justifiable ambitions, judging from what is happening in other parts of India, from having a voice in the management of their own province. If the Central Government are meeting this money even at present, I really wonder if it would make any difference to this Assembly if, with this money being spent, the people of Ajmer-Merwara got something which would enable them to identify their own small efforts in the management of their province. The Honourable the Home Member asked my Honourable friend to realise what it meant for his district to be an appanage of the Imperial Government. It may be a very great honour, but in these days of hard competition, when life becomes harder and harder day by day, one can hardly live even on the glory of the past or

the honour of the present, and I surely expect that even the Home Member will agree that the British Government should do better by an appanage of their Imperial Throne in India than the great Moghuls or the illustrious Mahrattas of the past did. If therefore Ajmer-Merwara was an appanage of the great Moghuls and the illustrious Mahrattas in the past it is in the fitness of things that this Ajmer-Merwara, which has been kept as an appanage of the Government of India, should henceforward be given a very substantial promotion in the shape of having some voice in the management of their own affairs. I feel therefore that if the Honourable the Home Member cannot see his way, on behalf of Government, to accept the proposition of a Legislative Council as is suggested, some other form which will allow the people of Ajmer to have a substantial say in the management of their province is more than due, and I suggest that this Assembly would support that demand or the underlying principle of the demand of my friend very wholeheartedly.

In the course of my Honourable friend's speech, when he was moving the Resolution, I was rather stunned to hear an interruption from my Honourable friend the Home Member. The Honourable Mover was making out a case that the administration as it is being carried on at present, and the administrator *qua* administrator was not one who had all the necessary qualifications of an administrator. My Honourable friend the Home Member rose to a point of order and asked the Chair to rule that what the Mover was saying in that direction was out of order. The Chair very correctly ruled that it was not so.

The Honourable Sir Alexander Muddiman: I did not understand the Chair to rule that.

Sir Purshotamdas Thakurdas: At any rate the Honourable Member went on with his speech and finished it.

The Honourable Sir Alexander Muddiman: That frequently happens in this House.

Sir Purshotamdas Thakurdas: As far as the Mover was concerned, he said what he wanted to in that direction and was not prevented from doing so by the Chair after the Home Member's objection. To my mind the Honourable the Mover made out a very strong case that the form of administration as carried on in Ajmer-Merwara should be a different one or something should be added to the present administration to make it more representative of the wishes of the people concerned. He made out that the administrators were selected from the ranks of the Foreign Office officials who, though they may be very good political agents, certainly had not much experience in the management of a district; and I think, Sir, that, if ever a strong case was made out in this House for a change in the form of administration of a province, the Honourable Mover of this Resolution can have that credit, at least as far as I have understood him and as far as I am concerned. A very strong case has been made out. Even in comparison with Coorg the Honourable the Home Member could not put forward considered reasons why Ajmer-Merwara should be kept back simply because it had been an appanage of the Moghuls and the Honourable the Home Member would like it to continue an appanage of the Central Government. The standard of literacy, the standard in other walks of good citizenship, etc., are all on a higher basis than in other Provinces according to the Mover and not a single one of them has been challenged, not even by Mr. Ashworth who appears to have had something to do with

[Sir Purshotamdas Thakurdas.]

a report on that Province a few years back. I feel therefore that this House, which is so jealous of the anxiety for people to manage their own affairs and to have a substantial voice in the administration of their own Provinces cannot disapprove of the Resolution of the Honourable the Mover, and certainly they will not, I hope, disapprove of the underlying principle. I strongly recommend the Honourable the Home Member to give the Mover encouraging assurances that the aspiration of Ajmer-Merwara will meet with the approval of the Government of India in a suitable manner after full and sympathetic consideration at first convenience.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadan Rural): Sir, the Honourable the Leader of the House said, after considerable attention to the subject, the Government of India have come to the conclusion that Ajmer-Merwara should remain as it is as an appanage of the Imperial Government, and that there would be no prospect of any other decision being taken in the near future. Sir, I might perhaps inform Honourable Members that this whole question of the position of Ajmer-Merwara was considered by a committee, of which Mr. Ashworth was a member. Attention has already been drawn to this report, and I should think that the whole question of the position of this province was discussed in that report with considerable ability. The question of popularising the administration of minor provinces has been engaging the attention of some Honourable Members for sometime. I have a recollection that my Honourable friend Sir Hari Singh Gour tabled a motion some time ago that all these minor administrations should be tacked on to the neighbouring provinces. The question, however, so far as this province is concerned is this, whether the size of this province, its population, its income, and its administrative arrangements would justify the creation of a Legislative Council. And on that matter I think, Sir, this Committee, Mr. Ashworth's Committee reached the conclusion that the creation of a Legislative Council was not possible. In that conclusion I entirely agree. To create a Legislative Council for an area of 2,700 square miles, the size of a Madras district or less than the size of a district in the United Provinces, is unthinkable. From a financial point of view, there can be no doubt that a Legislative Council would cost a good deal of money. We shall also have to face all the implications of the creation of such a council. (Mr. V. J. Patel: "What about Coorg?") I am not discussing Coorg just now. The arrangements sanctioned by the Government of India some months ago for Coorg came upon me as a surprise, and if I had a voice in regard to Coorg I should have suggested a different course. We are concerned with the present problem and I have no doubt that the creation of a Legislative Council for an area of 2,700 square miles with an imperial income of about 17 lakhs of rupees is certainly carrying matters too far.

Sir, the Committee gave full consideration to the question as to what would be the best way of bringing this district into line with the Reforms and allowing it to participate in the benefits of the Reform Scheme. My Honourable friend Mr. Patel seems to object to the words "benefits of the Reform scheme". The Committee had two alternatives. The first was a proposal for the creation of an advisory board to the Commissioner administering this district. The Committee ruled it out on the ground that people were not willing to consider that method of participation as satisfactory and that the creation of an advisory council would not answer the political aspirations of the people. The conclusion they reached was that this

district should be transferred to the United Provinces. I may say, Sir, incidentally that the districts comprising Ajmer-Merwara were under the administration of the North-West Provinces till 1871, and in advising a retransfer the Committee were really suggesting the restoration of the state of things that prevailed in 1871. The reasons why it was separated from the United Provinces have also been discussed at some length. They were more or less political in their character. The Government of India wanted to elevate the status of the Chief Commissioner of Ajmer-Merwara who was also Agent to the Governor General, and it was on this ground that they separated this tract from the United Provinces. I think therefore that the suggestion made by this Committee that this area should be transferred to the Government of the United Provinces is perfectly sound. Sir, I see from the evidence which has been taken by this Committee that there was a certain amount of disinclination on the part of the local inhabitants to accept the merger of this smaller province into the larger province to which it once belonged. The Committee therefore suggested that a decision should not be taken till there was a change in local public opinion and they advised that this step should not be taken for the next two years. That period is now over. Sir, I am entirely at one with my Honourable friend Lala Duni Chand when he said this small administrative area should not be left in the cold, that it should be brought into the general scheme of Reforms, and that the people in that area should have a voice in the management of their own affairs. I think, Sir, that the solution which has been suggested by the Committee is sound. The Honourable Sir Alexander Muddiman told us that the Government of India corresponded with the United Provinces Government and that the latter refused to take over this area as it would be a bad bargain for them. Sir, there is absolutely no ground for not effecting the exchange provided it is desirable in all other respects. If the United Provinces Government complain that on financial grounds they cannot undertake to administer this area, and if it is a deficit district, that certainly is a reason for the Imperial Government to give them an assignment for this purpose. We are now spending money on these districts and I do not see why the Government of India should not make an assignment provided all other conditions for transfer are satisfied. I therefore think that the announcement, which the Honourable the Home Member has made that there is absolutely no prospect in the future of revising the decision which they have come to, is far too peremptory and requires reconsideration. The solution of the problem is really to make an assignment if necessary to the United Provinces and transfer this administrative area to the Government of that Province. The result of it would be that the people of Ajmer-Merwara will have representatives in the Legislative Council of the United Provinces and all the benefits of this administration will be available to them. They will have educational institutions the benefit of which will be equally shared by Ajmer-Merwara. They will have the officials of the United Provinces running this administration. They must be taken out of the category of the scheduled districts. They need not depend upon the Government of India to be ruled as a regulation province, and they would form part of a progressive province. Sir, in these observations I am fortified by the opinion of one of the most important witnesses examined by the Committee who after elaborating his views said:

"Its best interests, therefore, demand that it should be incorporated with an advanced province. In my humble opinion, it would not lose its individuality by its association with the United Provinces, for individuality is a matter not of machinery of administration but of mental and moral resources of a people, and such resources,

[Diwan Bahadur Ramachandra Rao.]

I am apt to think, will receive greater development with increased opportunities of education and association. Its advantageous position, being the centre of arteries carrying life and activity to the different parts of the great and historic province of Rajputana, and also as forming a principal link in the chain which connects life in Northern India with that in the Southern, would never allow it to be submerged under any reactionary and prejudicial forces operating in a province administered from a place so far away from Ajmer as Allahabad or Lucknow, particularly so when the telegraph, the railway, the air service and other means of speedy communication have, if not annihilated time and distance, reduced these factors to their minimum importance. On the contrary, I am of opinion that while it would enjoy all the advantages and benefits that an advanced and big province must provide, the peculiar position of Ajmer-Merwara would ensure for it some privileges which would be found specially suited to its requirements."

I may perhaps inform you, Sir, that this witness is no other than my Honourable friend the Mover of this Resolution. I would suggest for his consideration that the proper course for him and for us also is to press on the Government of India for a revision of their decision. If necessary the Government of India should make such financial adjustments as would enable the United Provinces Government to merge this area in their province. This is a solution that I would suggest for the consideration of this House. I therefore, think, Sir, that my Honourable friend Sir Alexander Muddiman should make another statement and should give us the assurance that this question will be reconsidered from the point of view that I have just mentioned. This area should not be left out of the Reform scheme; it must be brought within the administrative arrangements prevailing in the United Provinces. And I do not see why my Honourable friend is so positive in his statement that the decision reached by the Government of India will not be revised in the near future.

I can understand the feelings of my friend, Nawab Sir Abdul Quaiyum, in regard to this matter. In supporting this Resolution, he has I am sure at the back of his mind the creation of a Legislative Council for the North-West Frontier Province. That has been proposed in the report of the committee of which my friend, Mr. Bray, was the President. Other requests from other smaller administrations under the Government of India for being brought under the operation of this Reforms scheme and for an increasing association of the people with the administration are also bound to be made, and I think therefore the whole question requires a much more detailed consideration from the Government of India than they have given to this subject. It may be that in regard to this subject of Ajmer-Merwara my Honourable friends opposite have taken the trouble to come to a decision from which they refuse to budge. I do not know; but what I am considering is whether in regard to all these minor administrations which are now under the direct administration of the Government of India the time has not come for the consideration of the subject as to the way in which they would bring these administrations into line as early as possible. I hope that the Honourable Sir Alexander Muddiman will give us an assurance that he would reconsider the decision already come to.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadian): Sir, I should like to add one short point to the speech made by my friend, Diwan Bahadur Ramachandra Rao. It is admittedly a fact that the United Provinces refused to take Ajmer and Merwara because it is a deficit province. The deficit is met from the central revenues, and the Honourable the Home Member is perfectly right in saying that when the deficit is made

good by the central revenues the Legislative Assembly will have something to say regarding the expenditure of the money which it provides. Now, I wish to ask the Honourable the Home Member to consider this proposition. The small province of Delhi is also a deficit province (laughter), and the Central Government pays for its upkeep. We have adjoining Delhi the province of Ajmer-Merwara, another deficit province, though the deficit is not so large. I wish to suggest to the Home Member the advisability of considering the amalgamation of these two Imperial appanages and making them a really good appanage for the Imperial Government. It will reduce the cost; it will facilitate the administration of the two provinces; and I further submit it will then be possible to establish a small Legislative Council for the two combined provinces; and I have no doubt that if this is done my friend, Mr. Har Bilas Sarda, would be perfectly satisfied. I therefore suggest, Sir, that the Honourable the Home Member should not lose sight of the fact that merely because the United Provinces have refused to receive the present offered to them by the Imperial Government that is the last and only solution of the question. Other solutions are equally possible and equally feasible, and therefore I ask the Honourable the Home Member not to lose sight of this fact.

Mr. Deputy President: Before other Members rise to speak, I would remind them that the Resolution before the Assembly is that a Legislative Council be established for Ajmer-Merwara; I think some emphasis has to be laid on that.

Maulvi Abul Kasem (Bengal: Nominated Non-Official): *Sir, I venture to rush in where better men fear to tread. I beg to move as an amendment that the words "and the North-West Frontier Province" be added to the Resolution.

Mr. Deputy President: I am afraid that is outside the scope of the Resolution. The Honourable Member can speak on the Resolution.

Maulvi Abul Kasem: I beg to submit, Sir, that if Ajmer-Merwara is a martial province so is the North-West Frontier Province; if Ajmer-Merwara is governed by the Foreign Office so is the North-West Frontier Province; and if it has supplied a large percentage of warriors for the war, so has the North-West Frontier Province also supplied a large number; and in many respects the two provinces, I think, go together.

Mr. Deputy President: I have permitted the Honourable Member to speak on the Resolution if he wants to.

Sardar V. N. Mutalik (Gujarat and Deccan Sardars and Inamdars: Landholders): Sir, I confess I am quite ignorant of the province of Ajmer-Merwara and I am not entitled to pass any opinion on the present question. But to me it appears that these small administrations have become like footballs in some respects. When they are to be attached to provinces the provinces do not want them; when they are attached to the Imperial Government the Imperial Government do not look to their conveniences and rights; they do not care for them and do not give them any help to ventilate their grievances. The only modest representation that Ajmer-Merwara has got is the small voice of my friend who has moved this Resolution. My own view is that it is time that the Government made up their mind either to give these provinces something either by way of a Committee or by way of a small Council—call it a Council or a District Council—but I

* Not corrected by the Honourable Member.

[Sardar V. N. Mutalik.]

think some way of giving expression to their views ought to be found and this policy of football should not be resorted to. I myself feel that the province is too small to have a Legislative Council—perhaps the name will be misapplied if it is given to such a small unit as that. It is merely half the district from which I come and I shall therefore only request Government to consider this question favourably and if Government are prepared to consider the question favourably I request my Honourable friend to withdraw his Resolution at this stage and bring it up before the Assembly at a later stage. (*Lala Duni Chand*: “It will never be drawn in the ballot again.”) It is no use, Sir, mincing matters in this way and making these people feel that nobody is caring for them. I hope Government and the Honourable Mover will come to some agreement on this point and the question will be solved in a very satisfactory manner so that there will not be a feeling in the minds of the people of Ajmer-Merwara that they are not cared for either by this Assembly or by the Government.

Rai Bahadur S. N. Singh: I move, Sir, that the question be now put.

The motion was adopted.

Rai Sahib Har Bilas Sarda: Sir, I must acknowledge my obligations to the Honourable the Home Member for having so kindly given me an opportunity of putting my Resolution before this Assembly. It was due to his kindness that I have been able to put the case for Ajmer-Merwara here. He has explained the circumstances in which I persuaded him to show me this favour and I thank him again for this.

The Honourable Mr. Ashworth said in reply to the case that I put forward that it was easier in a non-regulation province to get legislation passed and to get old Acts amended than in a regulation province. If that were so, Sir, there would have been no reason for Acts 40 and 50 years old still to stand intact on the Statute-book. In a non-regulation province the people have no voice in the administration. Acts and Regulations never come before the public, and consequently I fail to see how it is easier for the people who want amending Acts to be passed to get them passed. He also said that Ajmer-Merwara was something like a district and it was entitled to the rights of a district and not those of a province. I am afraid there is some confusion of thought there. District and province—these are relative terms. What is a district? A district is a tract of land which is a part of a bigger tract of land called a province. If a part of the land is not part of a bigger administrative unit it is a province: it may be a small province but still a province, and it is in this view that in Government reports Ajmer-Merwara is always described as the British province of Ajmer-Merwara. The Gazetteers also describe Ajmer-Merwara as a British province. And if it is a province it should have the privileges and the rights of a province, on whatever scale, in whatever circumstances, that may be feasible. But it should have something. The people of that province should not be debarred completely from enjoying all the rights and privileges of a province. The people of a district are entitled to share in the rights of a province. But Ajmer-Merwara is neither a province nor a district in that sense, and consequently it does not enjoy the rights either of a province or a district. If it were a district and part of another province, it would share in the representative Council of that province. But as it is not a part of any province it does not get a share, and if it is not to be a province it will not

have any rights of a province. Consequently as Ajmer-Merwara is and should be treated as a small British province it should have in some form, however modified, the benefits which the Reforms Scheme confers on provinces. It was also stated that Ajmer-Merwara consisted of Istimrardars and Seths who had given great assistance to the Government in mutiny days, and others, and that some of these people were too backward to understand the meaning of reforms and regarded the non-co-operators as some sort of dacoits. I have lived all my life in Ajmer-Merwara and I have never known any one in that province who regarded non-co-operators as dacoits. I fail to understand how that information came to the Honourable gentleman. Whether non-co-operators had a following in Ajmer or not, whether their doctrines were accepted by the people or not, is another matter. But the people there had and have sense enough to understand what the non-co-operators are. And if there are some Istimrardars in Ajmer-Merwara, there are Istimrardars in Oudh, and if Oudh has got a representative Legislative Council which gives representation to Istimrardars, there is no reason why Istimrardars in Ajmer-Merwara should not have the same. There are Seths who gave assistance to the Government. Very well, all the greater reason that they should have some voice in the administration of their province. I believe it was also stated that Coorg is not a deficit province. Coorg is a deficit province so far as the administration reports and also the Inchcape Committee's report show.

Apart from that the one point which has been placed before us is that Ajmer is a small place, that its financial resources do not allow of the establishment of a Legislative Council, that, it is a deficit province and Government had to give 7 or 8 lakhs out of central revenues to keep the province going. I have to say that during the last two or three years that position has changed to some extent. The deficit is not now so large, if it exists at all. Moreover, when even now when there is no representative body to assist in the administration of that tract if the Imperial Government give this money and this House passes it in the budget, what reason is there that this House should not give the same amount of money to the administration there if the expenditure was to be controlled by a Legislative Council in association with the existing Government? Does the Honourable Member who opposed the establishment of a Legislative Council on the ground that this House has to sanction 8 lakhs out of central revenues,—does he mean that if the Government of India alone administered the district this House would grant this money, but if the people were also associated with the Government then this House would not give that money? The grant has to be given in any case, whether there is a Council or not. That being so, there is no reason why that argument should be used against the grant of a representative institution to Ajmer Merwara.

It was also said that a Legislative Council for Ajmer-Merwara would be a shadow and we were asking for a shadow instead of the substance that we now possessed. I could not exactly follow what was meant by that. If there is a Legislative Council say, of 20 Members, and if they have the same power to pass Acts as other Legislative Councils have in the case of the bigger provinces, I do not see where the question of shadow and substance comes in. Ajmer-Merwara undoubtedly has a seat in this Assembly. But this Assembly does not legislate for Ajmer-Merwara. All local laws and regulations are passed irrespective of this Assembly. The Member who represents Ajmer-Merwara in this Assembly can take part in legislation for the whole of the country, but for Ajmer-Merwara he is as good as nobody.

[Rai Sahib Har Bilas Sarda.]

Consequently, having a seat in the Legislative Assembly is not a substitute for having a local Council to administer local affairs. It has been suggested by more speakers than one that the proper remedy for the state of affairs is to incorporate Ajmer-Merwara in another province, that the Government of India asked the United Provinces Government to take over Ajmer-Merwara and administer it, but that that Government refused the offer. The Government of India finally decided that Ajmer-Merwara should be kept as a separate entity. The fact is that Ajmer-Merwara has been kept a separate administration because of the political requirements of Rajputana. That argument still remains. It has been said that the Commissioner of Ajmer, Mr. Lyall, in his evidence before the Ashworth Committee stated that questions came up in which the affairs of Ajmer-Merwara were so mixed up with the affairs of the surrounding Rajput States that the best thing for both Ajmer-Merwara and Rajputana was to have the administration centered in the hands of one person, the Chief Commissioner, who would be the Chief Commissioner of Ajmer-Merwara and the Agent to the Governor General for the Indian States. If the Government of India are prepared to accept that argument, and if they think that in order to provide facilities for the settlement of questions which arise between the Indian States of Rajputana and Ajmer-Merwara, it is best to have that form of administration, we have no objection. All that we want is this. As the administration is deficient in certain respects which have been very well put forward by Mr. Reynolds, all we want is that the people should be associated with the Government of Ajmer-Merwara, and that will minimise the difficulties of the situation. If Government want to keep Ajmer-Merwara separate in the interests of their foreign policy, let Government do that. All we want is that there should be a small Council to assist the Government and bring the views of the people before that Government. That is all. Consequently, I think, Sir, that no case has been made out why either on financial grounds or on the ground of the smallness of the size of the province, it should have no Legislative Council, or that no benefit of the Reforms should be given to it. The one great wrong to which I have drawn the attention of the Assembly is that it is treated as a scheduled district; and, as I quoted from Mr. Hobhouse and Sir Courtney Ilbert, the Scheduled Districts Act was intended for backward areas only. Ajmer-Merwara is by no means a backward province. Why do you apply the Scheduled Districts Act to Ajmer-Merwara? Why do you not have it made a regulation province? If it be made a regulation province under the direct administration of the Governor General in Council, then this Assembly, being a part of the Government of India, will have a voice in the administration of Ajmer-Merwara, and in that case this Assembly will pass the Budget, and the situation would be quite different. (Sir Hari Singh Gour: "We pass the Budget for Ajmer-Merwara.") But in what way is it passed? Four days are given for the Budget of India, and the Ajmer-Merwara Budget comes at the end. Is there any chance of discussion? If a separate Budget for Ajmer-Merwara came up before the Assembly earlier, if the Acts and Regulations came up one by one before the Assembly, it would be a different thing. However, leaving that aside, I leave it to the Government to consider how and in what way, effect could be given to the wish of the people—and not only wish but the rights of the people—to share in the benefits of the Reforms Scheme. I regard the Reforms Scheme as a beneficial scheme, and we want to share in its benefits and, consequently, the first thing that I want, if the Honourable Member would very kindly consent, is to make it a regulation province. Let it be

under him, let it be under the Home Department. Would he consent to that? I therefore press my Resolution.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I really do not know what to reply to. The Resolution on the paper is that there should be a Legislative Council for Ajmer-Merwara. Nearly all the speakers have passed that point. As I understand my Honourable friend, his real grievance is that Ajmer-Merwara is a scheduled district. Well, I do not understand how, if that is the case, he has not framed a Resolution recommending that Ajmer-Merwara should be de-scheduled. It is obviously not a point I could be expected to deal with on the actual Resolution before this House. Moreover, I fail to understand why the fact that Ajmer-Merwara is a scheduled district makes any difference to the voting of its budget. I cannot understand how that arises. I may be wrong. My Honourable friend's real grievance therefore is something that he does not put in his Resolution. That is the first point.

The second point is this. Do I understand my Honourable friend is not in favour of the union of Ajmer-Merwara with the United Provinces? My Honourable friend Diwan Bahadur Ramachandra Rao said that I have given a very curt and peremptory answer on that; but surely, Sir, you cannot expect me to give a very full answer on a matter which is not raised by the motion before me. The Government of India did consider very seriously whether Ajmer-Merwara could not be amalgamated with the United Provinces; and the United Provinces did not merely object—I did perhaps deal with the matter a little cursorily in my previous speech—they did not merely object because it was a deficit province. They said it is a bad bargain altogether—that it was a notorious fact that Ajmer-Merwara is subject to famine. They also said—I am sure my Honourable friend will be sorry to hear it—that Ajmer-Merwara was not up to the standard of their districts, and they would have to lay out capital before they would be able to raise it to their standard. It was on these grounds that they objected. Therefore my Honourable friend, Diwan Bahadur Ramachandra Rao, is not quite right in thinking that it would be all right if this Assembly merely gave a grant to the United Provinces to cover the annual deficit; you must put up money by way of capital, you must put up a little more money in the way of improving things.

Diwan Bahadur M. Ramachandra Rao: May I ask, Sir, whether the Government of India intend to make those very improvements which the Home Member is now suggesting?

The Honourable Sir Alexander Muddiman: I was not making any suggestions for improvement; I merely pointed out what the United Provinces Government said and was rebutting my friend's charges that his arguments can hardly be said to have been disposed of in a casual and peremptory manner when it was not raised under this Resolution. If my Honourable friend thinks that the right remedy is to transfer Ajmer-Merwara back to the United Provinces, I suggest that the proper course would have been to table an amendment.

Now, Sir, there is a third point. I was looking into the papers regarding his motion and I find that a certain Sub-Judge submitted an opinion; he was a Sub-Judge apparently in the Ajmer-Merwara Administration—it may be my Honourable friend is familiar with him. He has there stated—when

[Sir Alexander Muddiman.]

this very question was raised before him and he gave his considered opinion—speaking of Ajmer-Merwara, that:

“its small size, its small population and its geographical position preclude the application of these principles in matters of government which may and will be adopted in the case of bigger provinces.”

Has my Honourable friend recognized that quotation?

Rai Sahib M. Harbilas Sarda: I can explain it. This was long before this Legislative Assembly came into existence—when there was no question of a Legislative Assembly.

The Honourable Sir Alexander Muddiman: That may be. It may have been written then, but the arguments used have not been changed by the creation of the Legislative Assembly. I really do not know my Honourable friend's real mind. It was his opinion at one time that Ajmer-Merwara should go to the United Provinces. His opinion now is that it should have a Legislative Council of its own. Now does he really wish to press for this? (*An Honourable Member:* ‘Yes’.) My Honourable friend is quite capable of saying so for himself. The fact is there has been no cast-iron, peremptory disposal of objections. There *has* been a very carefully considered examination on the part of Government. This is undoubtedly a difficult problem. You have got this little piece of country surrounded by a ring of Rajputana States, cut off from British India. You have the old connection my Honourable friend the Diwan Bahadur referred to, that it was administered in the past by the United Provinces. You have got the obvious difficulties of creating so very small an area an independent province. You have got to consider the financial difficulties. These things cannot be washed away, you cannot treat it as a sort of thing that can be done by a stroke of the pen. Is it so clear that we have adopted the wrong course? Is it so clear that the House really knows what it wants in this matter? If there were a change in financial conditions things might be different. It would be quite open to reconsideration if at any time the United Provinces were prepared to take over this district. But are you wise to break up the thing that we have done—that is, to give a seat on this Assembly to an elected Member from Ajmer-Merwara?

There is one other thing before I close. My Honourable friend the Mover spoke rather slightly of the services of political officers in Ajmer-Merwara. Let me remind him that the very gentleman, an old friend of mine, the very person he quoted, and quoted with approval, was Mr. Reynolds himself, a distinguished member of that department. In conclusion, Sir, I do ask the House before it commits to itself to the decision asked for by the Resolution to be sure that it has really come to that decision. After listening to the debate with the greatest attention and the greatest desire to discover what was the wish of the House in this matter I must confess I have not arrived at any definite conclusion on the point.

Mr. Deputy President: Resolution moved:

“That this Assembly recommends to the Governor General in Council that he will be pleased to establish a Legislative Council for Ajmer-Merwara.”

The question is that that Resolution be adopted.

Rai Sahib M. Harbilas Sarda: As the Honourable the Home Member has kindly said . . .

Mr. Deputy President: Order, order.

The Assembly divided :

AYES—26.

Aney, Mr. M. S.
Chaman Lall, Mr.
Das, Pandit Nilakantha.
Duni Chand, Lala.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh, Sardar.
Hari Prasad Lal, Rai.
Iyengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Joshi, Mr. N. M.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kelkar, Mr. N. C.
Kidwai, Shaikh Mushir Hosain.

Lohokare, Dr. K. G.
Mehta, Mr. Jannadas M.
Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Sayad.
Patel, Mr. V. J.
Ranga Iyer, Mr. C. S.
Samiullah Khan, Mr. M.
Sarda, Rai Sahib M. Harbilas.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Muhammad.
Singh, Mr. Gaya Prasad.
Syamacharan, Mr.

NOES—41.

Abdul Mumin, Khan Bahadur
Muhammad.
Abul Kasem, Maulvi.
Aiyangar, Mr. K. Rama.
Alimuzzaman Chowdhry, Mr.
Ashworth, Mr. E. H.
Badi-uz-Zaman, Maulvi.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Clarke, Sir Geoffrey.
Clow, Mr. A. G.
Cosgrave, Mr. W. A.
Dalal, Sardar B. A.
Fleming, Mr. E. G.
Gour, Sir Hari Singh.
Graham, Mr. L.
Hudson, Mr. W. F.

Jinnah, Mr. M. A.
Lindsay, Mr. Darcy.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Pal, Mr. Bipin Chandra.
Raj Narain, Rai Bahadur.
Ramachandra Rao, Diwan Bahadur M
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Singh, Rai Bahadur S. N.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Yakub, Maulvi Muhammad.

The motion was negatived.

Mr. Deputy President: The Standing Finance Committee will not meet.
This House now stands adjourned till 11 O'Clock to-morrow.

The Assembly then adjourned till Eleven of the Clock on Wednesday,
the 25th February, 1925.

LEGISLATIVE ASSEMBLY.

Wednesday, 25th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Mr. Clement Daniel Maggs Hindley, M.L.A. (Chief Commissioner, Railways.)

QUESTIONS AND ANSWERS.

WAITING ROOM AT CHANDRAKONA ROAD STATION ON THE BENGAL NAGPUR RAILWAY.

1025. ***Mr. S. C. Ghose:** (a) Has the attention of the Government been drawn to the letter signed "One who knows" which appeared in the *Forward* of the 28th January last about the need of a waiting room at Chandrakona Road railway station on the Bengal Nagpur Railway?

(b) Are the Government prepared to bring the matter to the notice of the railway authorities concerned?

Mr. G. G. Sim: Government have seen the letter referred to. This is a matter to be dealt with by the Agent of the Railway and copies of the question and answer will be sent to him.

MEMORIALS OF THE FOREMEN'S ASSOCIATION OF INDIA.

1026. ***Mr. S. C. Ghose:** (a) Has the attention of the Government been drawn to the letter "Foremen's Association of India" signed by one Charles Watney?

(b) Will the Government lay on the table a copy of the memorials submitted by the Foremen's Association of India to the Government of India and the Secretary of State for India?

Mr. E. Burdon: (a) The reply is in the negative.

(b) The two memorials are being considered, and orders will be passed in due course. Government do not propose to lay the memorials on the table in the meantime.

GRIEVANCES OF THE INDIAN EMPLOYEES OF THE EASTERN BENGAL RAILWAY.

1027. ***Mr. S. C. Ghose:** (a) Has the attention of the Government been drawn to the news published in the *Amrita Bazar Patrika* of the 19th November 1924 about the grievances of the native Indian employees of the Eastern Bengal Railway?

(b) Will the Government state if it is a fact that the native Indian employees of the Eastern Bengal Railway at Paksey, numbering about 400, do not get good water even for drinking, while the European and Anglo-Indian employees numbering about 20 get sufficient good water not only for drinking but also for their swimming bath and the flushing of drains?

(c) Is it a fact that native Indian guards and drivers get no allowance for working on Sundays, while European and Anglo-Indian drivers and guards get allowances?

Mr. G. G. Sim: (a) Government have seen the article referred to.

(b) Government have no information but will send the Honourable Member's question to the Agent, Eastern Bengal Railway, for such action as he may consider necessary.

(c) The Honourable Member is referred to the replies given to similar questions Nos. 2151 and 857 on the 17th September, 1924, and 16th February, 1925, respectively.

INTERNATIONAL EXHIBITION OF MODERN DECORATIVE AND INDUSTRIAL ART TO BE HELD IN PARIS.

1028. ***Mr. S. C. Ghose:** (a) Have the Government of India received any invitation from the Government of the Republic of France to participate in the International Exhibition of Modern Decorative and Industrial Art to be held in Paris this year?

(b) If the reply is in the affirmative, do the Government propose to consider the advisability of having an exhibit of Indian products in that Exhibition?

(c) Are the Government aware that the French Government have granted to the British Government a large amount of space free for exhibitors?

(d) Have the Government of India applied to the British Government for a portion of the free space for Indian exhibitors?

The Honourable Sir Charles Innes: (a) and (b). Yes, but after consultation with the Local Governments the Government of India decided not to participate officially in the Exhibition.

(c) The Government of India understand that space has been allotted to the United Kingdom but they do not know on what conditions.

(d) No.

CONSTRUCTION OF A HARBOUR AT VIZAGAPATAM.

1029. ***Mr. W. S. J. Willson:** Are the Government aware that the export trade of Vizagapatam Port is increasing and that transfer of goods from shore to steamers is carried on under great difficulties? Will Government please state whether the construction of a harbour at Vizagapatam will be undertaken this year?

The Honourable Sir Charles Innes: Yes. The Honourable Member's attention is invited to the reply given to question No. 210 asked by **Khat Bahadur Sarfaraz Hussain Khan** on the 26th January 1925.

THE RAILWAY BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Expenditure from Revenue.

DEMAND NO. 1—RAILWAY BOARD.

Ruling as to the order in which motions should be considered.

Mr. President: The Assembly will now proceed to consideration of the Demands for Grants under Part I of the Budget. There are 28 motions for reduction on the paper under Demand No. I. These motions fall under several different headings.

I shall take No. 6 standing in Pandit Motilal Nehru's name first as representing the largest reduction. It is a motion to omit.

As the second subject for discussion I shall take motions for reductions Nos. 1, 3 and 4 together, all of them dealing with questions of the pay of officers under the Railway Board.

As the third I shall take the motion for reduction by Rs. 100 in Mr. Rangaswami Iyengar's name, No. 9, raising the question of New Branch Line Policy, which will also include motion No. 28 in Mr. Willson's name.

As the fourth subject I propose to take together all those reductions which raise the question of the representation of various interests on the Railway Board, that is to say motions for reductions Nos. 10, 11, and I think 15, though I am not quite sure what Mr. Joshi means by the words in brackets after motion No. 15. Does he refer to the best method of securing representative control by the different interests on the Railway Board or in respect of individual railway administrations?

Mr. N. M. Joshi (Nominated: Labour Interests): No, not on the Railway Board but in the whole management of the Railways, not representation on the Railway Board itself.

Mr. President: Does the Honourable Member mean Advisory Councils?

Mr. N. M. Joshi: Yes I shall include Advisory Councils under that also.

Mr. President: Then it does not fall in the same category as any proposal to change the personnel of the Railway Board.

As No. 5, I propose to take the motion for reduction in the names of five members, Mr. Venkatapatiraju, Sardar V. N. Mutalik, Mr. K. Rama Aiyangar, Mr. K. C. Neogy and Diwan Bahadur M. Ramachandra Rao, raising the question of the appointment of a Rates Tribunal. I imagine that will be a sufficient bill of fare for one day.

Mr. President: The question is:

"That a sum not exceeding Rs. 9,86,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of the 'Railway Board'."

● **Pandit Motilal Nehru** (Cities of the United Provinces: Non-Muhamadan Urban): Sir, I rise to move:

"That the Demand under the Head 1, Railway Board, be omitted."

[Pandit Motilal Nehru.]

The motion, as Honourable Members will have observed, is intended to draw attention to the general railway policy pursued in this country, and to condemn it in the strongest possible manner that is open to this House. I fully realise, Sir, the grave responsibility which rests upon me in adopting this course, but I do so with the confidence born of a deep-rooted conviction that it is the right course to follow. The motion is based upon grievances as old as the railway system itself in this country, and the persistent disregard by the authorities of the best interests of the people. I know, Sir, I am inviting a storm of opposition, not only from the Treasury Benches, but also from more friendly quarters. We are little perturbed by the rise and fall of the official barometer, but when the centre of disturbance is shifted to other parts of the House it does become a matter for serious consideration. Let me assure the House that we have given the matter our most anxious and most serious consideration and that nothing but a compelling sense of duty to the country could have induced us to take this extreme constitutional course. Sir, the grievances that I have spoken of have been accumulating for the past three-quarters of a century and they have now reached the stage at which nothing short of a complete refusal of supplies would meet the situation. We are not adopting the usual course of moving small cuts of Rs. 100 or so which is done with the intention of drawing attention to some matter of policy or to convey a mild censure for something which has been wrongly done or omitted to be done. We think that the matter is far too serious to be dealt with in that way and that the only proper way of dealing with it is to apply most strictly the principle, "grievances before supplies".

Now, Sir, it has been stated that railway matters are commercial matters and that railway policy should be discussed like any other commercial policy detached from political and constitutional considerations. I beg to dissent entirely from that view. I submit that Railways are the biggest political machine in this country and that railway policy has a very far-reaching effect upon not only the commercial and economic but also the political conditions prevailing in the country. The Railway Board has the statutory sanction of being a sort of *imperium in imperio* and has been aptly described as bearing the same relation to the Government of India as Provincial Governments do. The only difference is that while the Provincial Governments are outside that holy of holies the Government of India, the Railway Board is within it. They have within the *sanctum sanctorum* a member of the family, or shall I call my Honourable friend Sir Charles Innes the *pater familias* of the Railway Board? Except perhaps for that difference the Railway Board is as self-contained as any Provincial Government and is master in its own house. That being so, the question is when the Railway Budget is put before this House and when there is a constitutional issue to be raised, how and when it is to be raised? Now, Sir, the very fact that railway finance has been separated from the general finance and the manner in which the demands made by the Department have been formulated and put before this House is to my mind a clear invitation to the House to treat the Railway Budget and the Department as it would treat the General Budget and the Government of India. There can be no doubt that it is the inherent right of this House to refuse supplies on a proper case being established, and when the matter relates to the Railway Administration I submit that the only proper occasion to raise the ques-

tion is on the first motion before us which asks for a grant to the Central Administrative authority for all Railways in India. The only question therefore is whether in this instance a proper case has been made out. Now, Sir, I shall in one word show that it is fully established. It is well-known that the Railway Board is a wholly irresponsible body in the sense that it is not responsible to the Legislature. (*Diwan Bahadur T. Rangachariar*: "Why not?") I will explain. Because the members are not removeable at the will of the Legislature, their salaries are not votable, and we cannot deal with them as we would deal with any authority which is responsible to us. My Honourable friend Sir Charles Innes in the course of his speech likened the presentation of the Railway Budget to a report made by the directors to the shareholders of a company. That I submit is a false analogy. The true relation is that of principal and agent. The Railway Board is the agent of the people of India whose money it deals with, whose money it takes and spends. But in this case it is not the principal, but the agent who is the real master. The principal is wholly powerless. The agent has not even given him the right to vote his salary. All that he comes before the master for is the charges for his maintenance and establishment. Now, Sir, what is, in these circumstances, the obvious right and the plain duty of the master? It is to obtain full control over the salaries of his own servants and make them responsible to himself. What is done here is that the master is asked simply to sanction the charges and expenditure necessary for the establishment of the agent to enable him to carry on his work. The master says, "No, I shall have nothing to do with it unless you, the agent, become responsible to me for everything that you do; and so long as that responsibility is not established you shall have nothing from me." Now, Sir, I ask, is there any way other than the one I have adopted of standing upon that right for the master, whose representatives we are in this House? (*Mr. K. Ahmed*: By reducing the amount.") My Honourable friend, Mr. Kabeerud-Din Ahmed says 'by reducing the amount', and he shakes his head with the confidence that is born of ignorance. Reduction of a grant means that you approve of the remainder of the grant; reduction of the grant means that you are taking exception to some matter of policy to which you draw attention and that you do not mean to dismiss the servant. I stand here on behalf of those who have elected me to demand the instant dismissal of the servant who is not responsible to me. (*Mr. K. Ahmed*: "Can you manage without them?") I may or may not be able to manage, but that is my right and I am here to assert it. Sir, I cannot understand how any cut, however large, can take the place of the motion that I am putting before this House. What I say is give us a Railway Board with responsibility to the Legislature or no Railway Board at all. How that question can be raised in any but the form in which I have raised it, I fail to understand. As I have said we have given our most anxious consideration to this question and I confess my inability to think of any other way more proper, more correct, than the one which I have adopted.

Now, Sir, as I have said, the one ground, the one constitutional ground upon which I rest my case is that the Railway Board not being responsible to us we have the right to withhold supplies until that responsibility is established. But I may be allowed a few minutes to show very briefly without going into details what have so far been the results of this irresponsibility of the Railway administration. The real question is one of principle; however competent, however good the management may be, if

[Pandit Motilal Nehru.]

the manager is not responsible to me, I say that I will not look into what he has done or what he can do unless and until he admits his responsibility to me. But there are things which have not been done well and not only not done well but so grossly mismanaged that they afford strong reasons why this state of irresponsibility should not be allowed to continue. Sir, the first and foremost thing which strikes one is that there has not been found one Indian capable of being admitted in this august body, the Railway Board, throughout the length and breadth of the country. It is said that no Indian with the necessary qualification is forthcoming. Is it not a sad commentary on your railway administration that during three-quarters of a century you have not been able to train one single Indian who can occupy the place of a member of the Railway Board? But I deny the fact. I do not admit that there is no Indian who is capable of doing as well as any other member of this Board. You say special knowledge is necessary. There is my old friend and enemy, the Honourable Mr. Sim. We have worked together in the old Minto-Morley Councils and I have had the pleasure several times of measuring swords with him in those Councils. He is to-day the Blakett of the Railway Board. Now, I want to know what special railway training has he ever received? Is there no Indian who could have taken his place? Leave alone the traffic engineering and other technical departments though there undoubtedly are Indians who are fully competent to take charge of them. To name only one, Sir M. Visveswarayya, a gentleman whose high authority was admitted by the Acworth Committee. It would be invidious to name others, but I am perfectly certain that there is no lack of men.

Then, Sir, what is the next? Your highest officers are quite out of touch with Indians and how have you safe-guarded the interests of Indians? The whole railway policy from its very inception has been a policy of exploitation. It began with a system of guaranteed railways. The time at my disposal will not permit my going into that, but I would refer the House to the very valuable chapter in Mr. Dutt's "Economic History of India," the chapter on Irrigation and Railways. They will find a full account of the exploitation of the country, of the motives which guided early railway policy and of the actual service or disservice done to the people. The real service certainly was not rendered to the master but to the exporter from England. (Mr. V. J. Patel: "They are the masters.") They are the real masters, there is no doubt. Sir, millions of rupees, millions of lakhs of rupees, I may say, have been paid simply as interest during the past years to those guaranteed railway companies. No doubt there was also some service done to the public in carrying them and in carrying their goods, but that was necessary in order to maintain the system and to keep the Railways going. Among the great benefits conferred by the British rule on India are Railways, Posts and Telegraphs. Now, Sir, that they do confer some benefit, no reasonable man can deny. But how can you help it? Do they not benefit you more? Where would you be without them? They are really intended to keep you here, that is the primary object. Having been established with that object these things have to be kept going, and they cannot be kept going unless they serve the public also.

Then, Sir, I come to the treatment of Indian passengers. Who in this House has not seen cases of gross ill-treatment of passengers in railway trains and at railway stations? Sir, in my younger days, I was an athlete—

I hope I have not yet lost all my strength. My friends of those days know how many tussles I have had—I did not believe in non-violence then—at railway stations and in Railway carriages when I came in conflict with some overbearing Britisher travelling with me. I have seen Indian passengers travelling by third class packed in railway trucks and wagons, not even like cattle, but like sardines. (*A Voice*: "Without any oil added to them") On this point, I will only draw attention to one passage in the Acworth Committee's Report at pages 54 and 55. This is what they say:

"So long as the present shortage of funds persists serious hardship is unavoidable. But when it comes to overcrowding as a constant everyday affair, carried to the length that members of the committee have seen with their own eyes—passengers by regular trains perched in the luggage racks and in suburban services hanging on outside or squatting on the steps of the coaches, it is another matter. Serious measures must be taken to deal with it."

The report further on says:

"We were told by the Agent of the East Indian Railway that the Railway Board had recently disallowed any capital expenditure, even to provide such things as installation of additional water supplies or erection of waiting sheds, as they did not directly improve the movement of traffic. Whatever the shortage of funds, we cannot think that if an order so sweeping as this was given it was in the general interest."

This the committee were told by the Agent of the East Indian Railway. It is a compliment paid by one of their subordinates to the Railway Board. All that the Railway Board is concerned with is the movement of the traffic, the helping of the importer and the exporter by carrying his goods from the various important ports at the sacrifice of the personal comfort of Indian passengers and at the sacrifice of the internal trade of the country:

"Whatever the shortage of funds, we cannot think that if an order so sweeping as this was given it was in the general interest."

That is putting it very mildly as of course the Acworth Committee was bound to do.

Then, Sir, we come to the fares. There was an all round enhancement for the first time, as far as I have been able to ascertain, in 1917. That enhancement was called a temporary enhancement and it was promised to be withdrawn after the war by Sir George Barnes in the debate which took place in March 1918. It has not been withdrawn to this day. Now, Sir, what is the explanation that has been given by my Honourable friend Sir Charles Innes? He says that there is such an increase in the travelling public of the third class that there will be a great loss if any reduction is made. He says in his speech at page 9:

"If there were no increase of passenger traffic, even a reduction of half a pie per mile in 3rd class fares would cost us 4½ crores of rupees. Secondly, even assuming that there was a large increase in passenger traffic, it is certain that we should not have sufficient coaching stock to carry the increased traffic."

It comes to this, that the gates of the slaughter-house are wide open; the sheep run into it without any effort being made to catch them or bring them in, and as long as they keep running into it, nothing further need be done.

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Then, Sir, we come to the manipulation of freight rates. That has been done in a manner to prejudice, as I have already said, the Indian trade. And here I will read only a few lines from the Report of the Fiscal Commission.

"Paragraph 127. Broadly speaking, the charge is that the rates are so framed as to encourage traffic to and from the ports at the expense of internal traffic. This means an encouragement of raw materials and to the import of foreign manufactures to the detriment of industries, which often have to pay what are described as unfair rates both on their raw materials transported from other parts of India and on their manufactured articles despatched to the various markets."

Now, Sir, this was denied by the Railway Board. As to this denial the Fiscal Commission say in their Report:

"We cannot believe that these complaints are entirely without foundation. In spite therefore of the sympathetic attitude of the Railway Board and in spite of the fact that this question has already been dealt with by two important Commissions within the last four years, we think it necessary to refer to the matter briefly in the hope of emphasising points which appear to be accepted generally in theory, but do not always seem to be translated into practice."

In fact, it was pointed out in the complaints that actual conditions were quite inconsistent with the policy enunciated in the Railway Board Circular. These complaints were made to the Railway Committee in 1921 and again to the Fiscal Commission in 1922. For further information I would refer the House to the speech made by Sir Vithaldas Thackersey in the debate which took place in the old Legislative Council in the year 1912.

Now, Sir, we have had Resolutions about the grievances of railway employees, we have had the sleepers scandal discussed, we have had the locomotive industry absolutely destroyed simply by an act of breach of faith on the part of the Railway Board. I would refer the House to page 173, paragraph 19 of the Tariff Board's Report on the protection of steel where they deal with the last mentioned matter. A company to manufacture locomotives came into existence on the assurance of the Railway Administration that a certain number of locomotives would be ordered every year but that undertaking was never kept though it was on the strength of that assurance, as the Tariff Board found, that this company was able to raise its capital.

Then, Sir, there is the stores purchase policy. I will not go into it at any length. I find an amendment by my friend Sir Purshotamdas Thakurdas on the subject. But I shall tell the House the most recent thing that I have heard. It is that, after giving a bounty to the Tata's on rails, some Railways,—I think they are the East Indian Railway and the Bengal Nagpur Railway—are buying continental rails at prices somewhat lower than Tata's. Now, Sir, it is a matter of history that, whenever there was competition between English steel and continental steel, English steel was preferred although it was dearer than the continental steel. But when there is competition between continental steel and Indian steel, then the plea is put forward, we must go to the cheapest market. Is it not possible to adjust the prices in some way between the Railways and the manufacturers in India? But who cares?

Then, Sir, I come to the recommendations of the Lee Commission being adopted by the Railway Board in anticipation of Government sanction. My friend, Sir Charles Innes, says at page 4 of his speech :

" I should also mention that 26 lakhs have been provided in the Budget for the cost of extending to officers of Company Railways the Lee Commission concessions with effect from 1st April last. We have thought it prudent to make this provision in the Budget, but I must make it plain that it has not yet been decided whether these benefits should be conferred on the officers of Company Railways in whole or in part. It is a question which still has to be considered by the Government of India and the Secretary of State. If allowance be made for these additions to our expenditure, it will be seen that we hope to keep the direct cost of operation, if anything, below this year's figures."

Now, Sir, what does that come to? Here is our Agent in our commercial concern. He takes it upon himself to assume the rôle of the prudent manager and to assign no less a sum than 26 lakhs of rupees in order to make the recommendations of the Lee Commission applicable to company officers. Now, I ask the House whether it was possible for these officers ever to dream of claiming any such allowance from the companies which employed them? Is it prudent management by the agent on behalf of the principal to throw away the principal's money by giving advantages to the servants who neither under the terms of their employment nor under any code of justice, equity or good conscience are entitled to it?

Then, Sir, there is the age-old complaint of the Indianisation of the Services. There have been some steps taken, I know, but would not one expect, at this time of day when the Railway Administration has been working for the last three-quarters of a century, that the whole of the railway staff would be manned by Indians? You began too late. My friend, Sir Charles Innes, says that a new spirit is abroad now. I thank him for the new spirit, though I do not know whether to thank him or the spirit. But why did not that spirit come a long time ago instead of only just coming into existence? And even now we have only an assurance that it has come. I know that the time since September last has been short. The Resolution we passed in the September session about Indianisation has been treated in the speeches of my friend, Sir Charles Innes, and my friend the Chief Commissioner of Railways, whom I welcome on his re-entry in this House to-day, as being no part of the September convention as it is called. It was certainly as good a Resolution of the House as any other. You say, we have not had time to act upon that Resolution. Well, I ask when will the time come? Is there again a paucity of men? I do not overlook, Sir, what has been stated in the official speeches that I have just referred to about the new institutions that have recently been founded. But my case is that these institutions should by this time have become old institutions and should have turned out thousands of qualified men. Now, Sir, I will not go into any other matters specifically relating to the activities of the Railway Board. All I want to show is that the instances I have given are instances not of slight or carnal negligence but of culpable negligence and persistent disregard of the interests of the employer by the agent. Here we are in this House representing the principal. Here is the Agent, who does not admit any responsibility to the principal. These are the acts which have been done by the Agent, all to the detriment of the Indian tax-payer. What is the master to do with such an agent?

Sir, there are about 200 cuts on the various demands which have been proposed in the various motions before the House. They are really 200

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arguments in support of the motion which I have the honour to move before you. I need not go into them in detail but, if Honourable Members who have proposed those cuts believe in them, if they believe that they are reasonable, I fail to see, Sir, how they can say that the motion I have now the honour to move is not reasonable. If the administration of the Railway Board has been such as to merit all the censure that these motions imply, I say that Railway Board must go and give place to a better and more responsible one.

Sir, these are the reasons upon which I ask the House to vote with me upon this motion. I beg the House to consider very seriously the position which has arisen. What is the remedy? Do you approve the railway policy which is followed by the Railway Board or do you not? How can any Member of this House who does not endorse the policy of the Railway Board vote against my motion, I for one fail to understand. Is it not true that an adverse vote on this motion means the approval of the general policy of the Railway Board? (*Cries of "No".*) I shall wait to hear the reason for that "no". How can you possibly have the effect given to your motion which my motion is intended to bring about by merely moving cuts. That is the old, old habit of a time when this Assembly and the provincial Councils had quite a different set of gentlemen to represent their constituencies. The time has gone by. If you are not going to do it now when are you going to do it? One objection that I have heard mentioned in the lobby is "Well, the General Budget is coming. This is a matter really upon which you have to censure the Government of India. Wait for the General Budget and then you can take such action as you think necessary." Now, Sir, I say that that is a wholly incorrect view of the procedure. If the Railway policy is not to be criticised on the Railway Budget, I submit that the time for criticising it will never come. The framers of the Demands have attached a note to those Demands and they indicate that any cut or criticism based upon the general railway policy is to be brought under Demand No. 1, the Railway Board. I want to know what is the measure of the cut which represents a mild censure, that which amounts to drawing attention to a minor matter of policy and that which draws attention to a major principle. Is everything to be done under Rs. 100 cuts? Does it not imply, I say again, that you do not object to the very principle upon which the Railway Board is exercising its irresponsible authority? However, Sir, it is a matter on which my friends are entitled to have their own opinions. I am entitled to have my own opinion.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Whom would you trust and place in charge of the Railways?

Pandit Motilal Nehru: Mr. K. Ahmed.

Mr. K. Ahmed: I beg to decline. I would rather have faith in Government than trust the Swarajists who are an irresponsible body.

Pandit Motilal Nehru: Now, Sir, before I sit down, let me make one more appeal to the Honourable Members of this House. So far as the Swaraj Party is concerned, I need make no appeal. The Swaraj Party has considered the matter. The Swaraj Party has definitely and deliberately approved of the motion that I have put before this House and the Swaraj Party will of course as one man vote in support of it. But I ask

Members, who are not members of the Swaraj Party, to consider very carefully whether it is or it is not the case that the railway policy followed by the Railway Board deserves the severest condemnation. If it does, then what action is possible, what action is conceivably adequate than the one I have taken? Remember, I say again, that every single vote cast against my motion is a vote of approval of the railway policy. (*Voices: "No."*) It is. My friends may laugh at it as something very ridiculous. I say that they appear to me to be most ridiculous when they say "No, no." But when you say "I will do the same thing by touching up the Railway Board with a feather; why do you take up this big stick?" I say, "Because the Railway Board deserves the stick and not the feather."

Mr. Bipin Chandra Pal (Calcutta: Non-Muhammadan Urban): Will you be able to smash it?

Pandit Motilal Nehru: Give it. Let me try.

Mr. Bipin Chandra Pal: Quite so. Give it.

Pandit Motilal Nehru: Now, Sir, I need not engage in this desultory conversation. I have had my say and of course Honourable Members will have their say. But I do ask them, and I seriously ask them, to consider and weigh carefully all the consequences which flow from an adverse vote upon my motion.

Mr. President: Motion moved:

"That the demand under the head 'Railway Board' be omitted."

Mr. N. M. Joshi (Nominated: Labour Interests): May I rise to a point of order, Sir? My point of order is this. The Honourable Pandit has moved a motion as a censure on the Railway Board. Is it open to a Member to move an amendment to his motion reducing the grant by Re. 1 as a vote of censure?

Mr. President: The Honourable Member will observe that there are various motions for reduction on the paper. I must put them one by one.

Mr. N. M. Joshi: My point was that it will facilitate discussion. There are many people who want to condemn the whole policy of the Railway Board. But we do not approve of the method which the Honourable Pandit has adopted.

Mr. President: The Honourable Member (Pandit Motilal Nehru) has chosen to give the Assembly an opportunity of taking the extreme course of cutting out the whole of the Railway Board vote. If the Honourable Member approves of the Pandit's arguments he will vote with him.

The Honourable Sir Charles Innes (Member for Commerce and Railways): Sir, we have been treated to a spectacle which has not been uncommon in this Session. That is a spectacle of the Honourable Pandit Motilal Nehru labouring heavily, the Honourable Pandit Motilal Nehru speaking against his own convictions. His speech, Sir, reminded me . . .

Pandit Motilal Nehru: I did not. My friend has no right to say that.

The Honourable Sir Charles Innes: That, Sir, was the impression that the Honourable Pandit's speech left on me.

Pandit Motilal Nehru: It is a wrong impression.

The Honourable Sir Charles Innes: His speech, Sir, reminded me . . .

Mr. Chaman Lall (West Punjab: Non-Muhammadan): May I ask, Sir, whether your ruling is not definite on this point that no Honourable Member of this House has any right whatsoever to question the *bona fides* of any other Member of this House?

Mr. President: I did not understand the Honourable Commerce Member to question the *bona fides* of the Honourable Pandit Motilal Nehru. I do not think so.

The Honourable Sir Charles Innes: As I was going to say, Sir, the Honourable Pandit's speech reminded me of two lines of a poem by Tennyson. The lines are as follows:

"The sounds had little meaning,
Though the words were strong."

Sir, I must confess that I received notice of this motion with a considerable sense of disappointment, because, it seems to me that this motion, if accepted by this House, will mean that the House is going to resile from the position which it took up in September last. If there was any meaning in the convention which the House agreed to in September last, it was this. In the first place, the House wanted the Railways to be treated more or less as a commercial proposition. In the second place, when we discussed this convention in September last, I think the House felt a very great responsibility to the people of this country for the Railway Budget. The House at that time recognised that the Railway Budget means expenditure of some 92 crores. One of the points on which Honourable Members during that debate in September last laid most stress was that this House should have more time for the consideration of the various Railway Demands for Grants. In pursuance of what we regarded as the express wish of the House we have done our very best to put up the Railway Budget in a form before this House which will facilitate discussion, and which will enable this House to raise every point on which they desire to criticise the administration of the Railway Board. What is the result? The first demand that we have put forward the Honourable Pandit proposes to reject altogether.

12 NOON. That is the demand for the Railway Board. The Honourable Pandit did not suggest for a moment, he did not pretend, that he did not require the Railway Board, for every one must admit that for the efficient management of our Indian railway system we must have what His Excellency the Viceroy called last year "a general staff up at headquarters." But the Honourable Pandit proposes to cut out the entire provision for the Railway Board. And why? He mentioned a certain number of what he called grievances. Well, Sir, what will be the effect if this motion is carried? Most of these grievances are dealt with in motions which are down on the paper in regard to Demand No. 1. The effect of this motion if carried is that the House will deprive itself of the opportunity of discussing in detail each and every one of those grievances. (Cries of "No, no.") That is to say, if the Honourable Pandit's motion is accepted, this House is going deliberately to gag itself (Cries of "No.") and I for one protest against a party, which I believe is numerically the strongest party, using its power to gag the House and deprive it of the liberty of speech. (Interruptions by some Honourable Members) Why is he going to do it? He is going to do it, as he admitted himself, purely

for a political reason—that is, “grievances before supply.” (*Voices*: “No, no.”) Let me quote what the Honourable Pandit himself has said. He said:

“I will not look into what you have done or what you propose to do unless you admit your responsibility to us. (*Pandit Motilal Nehru*: ‘Quite right’.) I look at this fact that the Railway Board is an irresponsible body, not responsible to the Legislature and the salary of the Board is not votable.”

Is the Railway Board responsible for that? (*A Voice*: “Are we responsible for that?”) Why drag in politics into a purely railway question? Let us examine a little further this question of grievances before supply. Let the Honourable Pandit be at least consistent. He is going in for this principle of grievances before supply. Then let him throw out the whole of the Railway Budget. And let me go further. Every one of our Demands for Grants will have to be thrown out one by one, and then we on the Railway Board will be able to go back and do our job. I suggest that we should not make a farce of the discussion on the Railway Budget. (*Cries of “No, no.”*) And what does the Honourable Pandit wish to do? Let me go still further. What is the meaning of grievances before supply? If the Honourable Pandit were consistent he would refuse supplies in every Department of the Government of India. Then if he brought the administration to a standstill, his logical course would be for the Honourable Pandit to retire to Allahabad, collect his Swarajist hosts and then His Excellency the Commander-in-Chief and the Honourable Pandit would have it out in the field of battle. But that is not what the Honourable Pandit means. He knows perfectly that we cannot get on without the Railway Board and he knows perfectly well . . .

Pandit Motilal Nehru: May I rise to a point of order . . .

Mr. President: I do not object to reasonable interruption, but it is perfectly obvious that no Member in this House can put forward his arguments properly in the face of a constant fire of interruption. The Honourable Pandit himself, being the leader of a great party in this House, ought to be the first to extend due tolerance to Members of Government.

Pandit Motilal Nehru: May I rise to a point of explanation? The Honourable Sir Charles Innes is hopelessly misrepresenting me in everything that he has said. He has said that I would do without a Railway Board. I never made any such suggestion; on the contrary I said that we can do without an irresponsible Railway Board and that we want a responsible Railway Board.

The Honourable Sir Charles Innes: As the Honourable Pandit himself has admitted, the only effect of this motion, if carried, would be that he will compel the Governor General in Council to restore the provision. He knows perfectly well that that will be the only result, and therefore the gesture is, I say, a perfectly meaningless one. We shall have to restore the grant and the only effect of this motion would be that the House will deprive itself of a legitimate and proper opportunity of criticising the details of our administration. (*A Voice*: “That is not so.”) There are numerous motions down on paper to-day, many of them motions of great importance. We on the Railway Board, whatever the House might think, welcome healthy and proper criticism and we welcome this opportunity of discussing these matters on the floor of this House. But here you have the Honourable Pandit proposing to deprive us and deprive the House

[Sir Charles Innes.]

of those opportunities for discussion. Sir, I am not going at this stage into any individual grievances to which the Honourable Pandit made allusion. It may be that some Honourable Members will get up and in support of the Pandit refer to those individual grievances. I say that the proper time to discuss those grievances is on the connected motions dealing with those grievances and that we cannot discuss them properly on a general motion of this kind. Therefore I wish to make one short appeal to the House. I say that those who believe in meaningless gestures of this kind, let them go with the Honourable Pandit into his lobby. But every Member of this House, who believes that this House is responsible to the people of India, who believes that this House exists for free discussion of points of administrative importance, and every Member who believes in the rights of minorities and liberty of speech will follow me into the Government lobby.

Mr. Chaman Lall (West Punjab: Non-Muhammadan): Sir, during the course of several months that I have had the honour of being a Member of this House I have not listened to a speech more provocative, more meaningless and more absurd than the speech that has just fallen from the lips of the Honourable the Commerce Member. The Honourable the Commerce Member, if he will pardon a very common expression, was talking through his hat when he said that the Honourable Pandit Motilal Nehru is depriving the House of an opportunity of discussing this question on the floor of this House by moving his amendment to omit the whole grant under Demand No. 1. Where does he get it from? Where does the Honourable the Commerce Member get this argument from? I would like to challenge him to prove this statement which he has made on the floor of this House that the Honourable Pandit is depriving us of the right to debate this question. What we have the right to debate is the policy pursued by the Railway Board and the Honourable Pandit by making his motion is giving us an opportunity to discuss this very question.

The Honourable the Commerce Member wants the Swaraj Party led by the Honourable Pandit Motilal Nehru to go to Allahabad, raise an army and fight it out with the British Government led by His Excellency the Commander-in-Chief. Is this the view that you take of the fight that we are waging against you? Is this not an encouragement that you yourselves are giving to the revolutionaries in India? (*A Voice*: "They are breeding revolutionaries".) No. There they are on the Government benches—there sit the revolutionaries (pointing to the Government benches). What should be your business? It should be this, you should stand up and justify your policy. Are you or are you not an irresponsible body? Have you or have you not done the right thing by India? (*A Voice*: Has he denied it?) He does not deny it because he cannot deny it. He has no arguments with which to deny it. I have been told that the grievances with regard to the Railway Board can be discussed upon their individual merits. One very important question that the Honourable Pandit has raised is the question of Indianisation. What has the Honourable Member for Commerce to say about Indianisation? What did his colleague sitting there on his left say in another place about Indianisation? Here in this House the Government know that we are the representatives of the people and so the Honourable the Commerce Member gets up and puts in a whole paragraph in his speech about Indianisation. What does his colleague do in the other House? He knows that the Government have got

a clear majority in that House and not one word was said about Indianisation there. Have you justified your policy? I will take this one point of Indianisation. You have given us certain facts and figures in your speech. You say that 30 more Indians have been taken into your Department. I challenge your statement. It is mere eyewash, it is a misleading statement, it is a question of *suggestio falsi* and nothing more than that. If you take your own list—take the Railway Board itself; that body of financial priests and pandits, that body of commercial maulanās. What do you find? There are three Members, one Chief Commissioner, five Directors, 7 Deputy Directors, 9 Assistant Directors and one Secretary. How many of these gentlemen are Indians? Not one. There are two Assistant Deputy Directors who are Indians, but I believe both of them are holding merely officiating appointments, minor appointments. Every one of the other posts goes to the European. Let me take Government Inspectors. There are 8 Government Inspectors. How many of them are Indians? You are aiming at 75 per cent. Indianisation. Out of 8 Government Inspectors not a single Inspector is an Indian, and their salary ranges from Rs. 1,375 to Rs. 2,150. There are three Inspectors recruited from the Engineers and if you challenge me and say there are no competent Indians I say from this particular cadre you can get as many Indians as you like but you do not want to find them. I come to the question of the Agents' Department. Let me give the House a little quotation. A question was put in this House on the 6th September 1922 by Lala Girdharilal Agarwalla:

“How many Indians are members of the Railway Board. If none or very few, why are not Indians taken in as representatives on the Railway Board?”

The answer was given by Colonel Waghorn:

“As the Honourable Member is already aware none of the three members of the Railway Board are Indians because the Railway Board is recruited almost invariably from the Agents of the Railways and no Indian has ever risen to the post of a Railway Agent.”

Mr. President: The question of appointing Indians in the Railway Board comes up under another head.

Mr. Chaman Lall: Very well, Sir. I will defer my remarks as regards Indianisation to the other demands that will come up later on. I do want the Honourable the Commerce Member to realise that when we are asking you here on the floor of this House to refuse supplies we are utilising a weapon in our hands which is perfectly constitutional. I do not want to be taught my constitutional history either by the Honourable the Commerce Member or any other Member on the floor of this House. I know perfectly well that it is a legitimate weapon that we can employ. It is a weapon that is employed in every stage of political development in every country in the world. If you turn round and say, “No, you shall not. You are gagging us. You are stopping us from discussing this question”, simply because we raise this constitutional question, I say to you that you are merely begging the issue. All we are doing is to give you an opportunity to meet us, to ask you to come forward with your arguments as to why you should not be thrown bag and baggage out of this irresponsible position that you have taken up. We are demanding nothing more than this—that our rights should be given to us, that we should be made responsible in the governance of our own affairs. You are not doing that. You sit there and talk of war. You sit there and talk of revolution. We do not want war.

Mr. T. U. Goswami: They want it, they are crying for it.

Mr. Chaman Lal: We do not want a sanguinary revolution. We strive for a peaceful revolution. We do not want to be threatened with your armies. We do not want to be threatened by your Commander-in-Chief. I would ask you to realise that we, as representatives of the people of this country, are demanding certain rights which are our birthright and that we mean to have them.

Mr. T. E. Moir (Madras: Nominated Official): Sir, it had not been my intention to take part in this debate and I should not have risen to address the House if it had not been for what has been to me the entirely unexpected situation which has arisen.

Pandit Shamlal Nehru: Created by?

Mr. T. E. Moir: Further the Honourable Pandit has issued an invitation to all Members of this House to follow the attitude which he has adopted. I should like to give in a few words the reasons which would prevent me, even if I were as free and irresponsible as he is, from following his advice.

Pandit Motilal Nehru: My invitation was not meant for the Honourable Member.

Mr. T. E. Moir: The Honourable Pandit's speech divides itself into two parts. I propose to deal briefly with the second part in which he raised various grievances connected with the Railways. Now, when he did that, he was merely stealing other people's thunder and I do not propose to touch on any of these particular points. As regards that part of his speech I shall refer only to one point as an example of the manner in which the Honourable Pandit attempts to mislead the House. He said why is it that you have introduced Railways into this country, the Telegraphs and the Postal Department—in order that you may keep control over it. This Assembly itself is an answer to that suggestion. Here you have the Honourable Mr. Patel from Bombay, the Honourable Pandit himself from Allahabad, Mr. Rangaswami Iyengar from Madras. . . .

Pandit Shamlal Nehru: And Mr. Moir from England.

Mr. T. E. Moir: If it were not for the railways, we would not be able to watch the Honourable Mr. Patel cracking his whip and see the Honourable Pandit dance while Mr. Rangaswami Iyengar pipes. If it were not for the Telegraphs the Honourable Pandit would not be able to send out S. O. S. messages all over the country to gather his flock here to defeat the Government.

Pandit Shamlal Nehru: May I inform the Honourable Member that if the Government were reasonable the Honourable Pandit would not require telegrams to be sent at all.

Mr. T. E. Moir: If there were no post office the Honourable Pandit's speech will not be published and distributed in a few days from one end of the country to the other. And yet he accused the Government who have introduced all these unifying agencies of having done so with the express purpose of retaining their autocratic control over this country. The argument is too puerile. But it is not in that part of his speech that the Honourable Pandit has really spoken his mind. What he has really done is to ask us not to discuss railway grievances but to repeat this year the action which at his instigation was taken by this House last year.

and thereby to produce a state of affairs which, if it were not for the existence of certain checks and counter-checks, would paralyse the administration. Now I think I have a right to ask the Honourable Pandit what purpose he thinks would be served by this action. He succeeded in inducing the House to adopt it last year. Who has benefited? Has India benefited? Has the cause of Swaraj benefited? Has any single matter in which this House is interested been advanced one little bit by the action which was taken last year? I say No. A cynical judge once remarked that marriage was a misfortune that might happen to any one, but that for bigamy there could be no excuse, and I would ask the Honourable Member and his party what advantage they think is going to accrue to any one by this dull, monotonous uninspired repetition of an action which entirely failed, when first performed, to have any effect. The Honourable Pandit is like a magician who fails to produce the egg from the chicken and says, "Give me another chicken and I will produce an egg". He is a magician with a broken wand, and I do not think the House will pay any further attention to his *mantrams*. But I should like the House seriously to consider one aspect of this question. We are now, I think I am right in saying, entering upon the discussion of the fifth Central Budget since the Reforms, and as the Honourable the Commerce Member has pointed out, the very first motion which is brought forward is in essence one that the Budget should be thrown out, not merely the Railway Budget, but the whole Budget. That is to say the Honourable Pandit would throw out the whole Budget and wreck our whole financial proceedings if he can get a sufficient number of Members to vote with him. Last year, having only recently been at home, I ventured to place before the House some considerations which I thought it would be as well if they paid attention to as to the effect such action would have on opinion at home. Whatever Mr. Chaman Lal may say, you cannot afford to ignore that opinion. Circumstances took me home again last year and I found that my anticipations were more than justified, and I will say this, that I cannot conceive of anything more disastrous to a sympathetic consideration of any claims that India has that on such an occasion, at the very beginning of the fifth Budget to be introduced in this House since the Reforms, the House should still show that it can be swayed by those whose sole object is to wreck the administration. If the House does follow the Honourable Pandit's advice, it will reduce to despair the friends of reforms, both here and in England. I would ask them to refuse to follow the lead of these die-hards—it is the only word I can apply to them. They have only one idea; they are incapable of learning. They move about in blinkers in worlds not realised. Sir, I would hardly have taken the trouble to place before this Assembly warnings which have been given again and again to this House by others far more capable of doing so than myself, but I have one interest in this Railway Budget. Never yet since Railway Budgets of any kind were first introduced has such favourable consideration been shown to the claims of my own province in railway matters. I have found from bitter experience that, when this House adopts wrecking tactics, it is my province that has to pay the penalty (laughter) and for that reason alone I must protest against a motion such as that introduced by the Honourable Member. I must appeal to the House to allow the discussion of this Budget to proceed on normal lines and to refuse to follow what I regard as the pernicious and disastrous lead given to it by the Honourable Pandit from Allahabad.

Pandit Sham Lal Mehru: I move that the question be now put.

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muham-
madan Urban): Sir, it was with a certain amount of surprise that I
listened to the speech of the Honourable the Commerce Member. I was
surprised because there was not his usual balance. He was thrown off
his balance apparently by Pandit Motilal Nehru's speech. But, Sir, when
the Commerce Member reminded the politicians in this House of the Com-
mander-in-Chief, of fighting the Swarajists with the Commander-in-Chief
at the head of the bureaucratic forces, I was reminded of the beginnings
of British rule in this country. Sir, the Englishmen came to this country
as traders. They went to other countries as "sea-dogs" and rovers.
They went to Egypt as money-lenders, and to our country they came as
shopkeepers! This "nation of shopkeepers," as Napoleon contemptuously
described the English opened their shops in this country and closed down
our own. Sir, they put an end to all the industrial and commercial activities
of this country by using the political weapon. I would ask the Honourable
the Commerce Member to read the history of India written by his own
countrymen. I would ask him to read the book written by Horace Wilson
in which he has clearly stated how the political weapon, the political arm
of injustice, was used to destroy the commercial and industrial activities of
our people. And now he comes to us and says, ignore political reasons,
put aside political considerations; the commercial question, the railway
question stands on its own legs. Sir, that is a policy which politicians in
this House cannot accept for a moment. You cannot divide politics from
railways; you cannot divide politics from commerce. The British politics,
the British administration, the British bureaucracy sits like a nightmare on
every department in the country. It sits like a nightmare also on the
railway administration; and therefore when you tell us, do not think of
political considerations I know that you are trying on us one of those
bureaucratic tricks. When you separated the Railway Budget from the
General Budget you knew that new forces have come to this Assembly.
Here I may remind the Honourable Member for Madras when he talks of
normal things and thinks of normal times that we are not living in normal
times, we are living in very abnormal times, because Indians have come to
realise that foreign rule, good or bad, cannot be so good as Indian rule and
we want to rule not only politically speaking but commercially speaking.
Sir, you have cut away our commercial arm when you introduced British
rule in India and unless we get back our commerce in our own hands,
unless we get back our industries in our own hands, unless we assume
charge of the administration of our railways and everything connected with
it, unless and until we do that, there can be no prosperity, there can be
no peace, there can be no contentment. The Honourable the official
Member from Madras and all those who think with him will do well to
bear in mind that Indians are prepared to come into their own and that
they are prepared to fight all the forces that stand in the way of their
rights and liberties. We take our stand, Sir, on our constitutional right,
on our natural right, our inalienable right, and a foreign people have no
business to deprive us of our right. We concentrate to-day on the Rail-
way Board, because it is from the Railway Board that the poison of racial
discrimination emanates. It is because of this poisonous policy of the
Railway Board that the domination of the Europeans still prevails. Go
through the Railway Budget anyone of you, go through the number of
railway employees in India occupying the higher posts, and you will find
that they are a European monopoly. The Railway Board certainly is a
European monopoly. The Indian voice, as I said the other day, is never

heard in the Railway Board. There are no Indians there. And when we present in this House the legitimate claims and grievances of our people you treat us like so many schoolboys. "The liberty of speech" to which the Honourable the Commerce Member alluded would only remind one of the Greek Chorus! Liberty of speech indeed! When our speeches are futile because you make them futile! You want us like so many babies to play at this speechifying and then to wait as so many mendicants screaming for alms at the doors of the Railway Board. That is what you want us to do; but, Sir, times have changed. (Turning to the Honourable Commerce Member). When you came to our country, when you came to Malabar,—which has not forgotten you, your old friends are proud of you, the high position you occupy to-day,—when you came to this country, the times were different. It was a quarter of a century ago. Indians have since risen from their sleep. Bureaucratic administration in the beginning managed to keep us quiet. Sir, we were then so many willing victims of autocratic rule; but owing to your own excesses as well as to your own education, English education I mean, imparted to our people, partly because of that and partly because of bureaucratic excesses, they have risen from their sleep. Times have changed; and therefore I would ask the Honourable the Commerce Member not to think that he is living in the nineteenth century. He is living at a time when people are prepared to take their stand on their rights and to fight for their rights. It is that stand we are taking to-day. I do not want to go into details, but I want to place on record, we the Swarajists want to place on record, that we do not propose to treat the Railway Department or any other department in charge of the Government in a manner different from the Home Department. I see the Honourable the Home Member shaking his head. I admit, Sir, it is the recognition of a fact that the Home Department and the Commerce Department are tarred with the same brush. There is no question here of hatred, Sir, no question of personal indignity offered to any Member on the other side, but here is certainly a question of taking our stand on our national rights and our national dignity and fighting for the national cause. The perpetuation of the present constitution of the Railway Board, the perpetuation of their irresponsibility, of that want of response to popular aspirations which permeates the Railway Board—that perpetuation, Sir, is a wrong to Indians, and if you want to take the Indian people with you, you must be prepared to concede to them what is due to them? If, on the other hand, you take your stand on the final appeal of all constitutions, of all Western constitutions, the appeal to force, then you can only remind us of the Commander-in-Chief. But the Honourable the Commerce Member shaking his hand towards me seems to suggest that he did not mean that. Am I right, Sir? Did you want to meet us with the Commander-in-Chief, face us with unconstitutional militarism?

The Honourable Sir Charles Innes: May I explain for the Honourable Member's benefit, Sir, that I was merely pointing out what should be the logical consequence of the doctrine, "grievances before supplies".

Mr. C. S. Ranga Iyer: I thank the Honourable the Commerce Member for his explanation, but his explanation requires another explanation. The doctrine of grievances before supplies must be known to every Englishman and also the manner in which it was pressed into service in America. They fought you because you did not listen to them. That same question was raised in America. They raised it in an unconstitutional manner.

[Mr. C. S. Ranga Iyer.]

They did not raise it in the Assembly of America. We are raising it here in a constitutional manner and I believe the Honourable the Commerce Member recognises it. We are not out to-day for a revolution if you do not force us to a revolution, if you do not goad us to a revolution. If the Honourable Pandit Motilal Nehru brings forward this motion to-day it is because he is anxious to save the country alike from the bureaucratic revolutionaries and the popular revolutionists. If you do not concede to us what is our right in this railway matter, if you go on fighting us in the bureaucratic style, what do you think will happen? You will only destroy the constitutional forces. You will only destroy the faith of the people in the Swarajists; then there can be only two parties in the country, with the Commander-in-Chief as the leader of one party and the Anarchist General of Bengal as the leader of the other party, and the Honourable Pandit Motilal Nehru will share the fate that Mr. Redmond had to bear in Ireland. I know the Honourable the Commerce Member does not want a crisis. I know the Honourable Pandit Motilal Nehru is anxious to avoid a crisis, and therefore the only proper attitude for the Government to take up is not to play into the hands of the irresponsible forces in the country but to consider the purpose, the principle, the fundamental right involved in the Swarajist attitude. Sir, I do not want to take up any more time of this House but I do want to appeal to my Independent friends not to make a party question of this. I am not using any language of threat, for we have got to live together, to fight together and to get on together. We have come down for the sake of the Independents from our great heights. We have met them half-way. (A voice: "Question?") An Independent questions me, but I am sure he knows the answer. He has not been absent from the Party meetings. But Sir, when we have met the Independents half-way and more than half-way, I will only ask them to consider whether it is proper for them to make this a party question against the Swarajists and to fight them in this matter. There is nothing in this against the Independents, there is everything in this making for the independence of the Railways from the iron hands of an alien bureaucracy. If the Independents want to give a longer lease of life to the present administration of the Railway Board, then I am afraid they will vote with the Honourable Commerce Member. If, on the other hand, they understand aright what we stand for and strive for and struggle for, then they will vote with us. (Pandit Sham Lal Nehru: "Why don't you appeal to the Government Benches?") My friend, Pandit Sham Lal Nehru, rather unwittingly says; "Why not appeal to the Government Benches also?" I would have appealed to the Government Benches, had I not listened to the speech of the Commerce Member and the speech of the official Member from Madras. I have yet to listen to the speech of Mr. Jinnah and Sir Purshotamdas Thakurdas; if I had listened to their speeches, Sir, I might not have indulged in the luxury of an appeal.

Pandit Sham Lal Nehru: Sir, I move that the question be now put.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Sir, on this question I regret very much indeed that there is a difference of opinion between our Swarajist friends and ourselves. I have the greatest regard for Pandit Motilal Nehru and it is a pleasure always to work with him. But on this question we differ. I will place my reasons once more on the floor of this House before my Swarajist friends, including my friend the last

speaker, Mr. Ranga Iyer. Sir, let us examine this question carefully. My friend, Pandit Motilal Nehru put it on three grounds. First, he said, grievances before supply; secondly he went into the details of various grievances against the policy and the administration of the Railways. Thirdly, he said that the Railway Board was irresponsible. Now, we have given this question our most careful and anxious consideration. We have therefore to consider, are we going to apply the first principle, namely, grievances before supply? Let us examine that on its true constitutional basis. We felt, Sir, that in order to enforce that principle historically, constitutionally, logically, we should have to answer Sir Charles Innes' question, which he put to us. (*Pandit Motilal Nehru*: "Did you do that last year?") I will answer that question. Sir, I do not wish to impart the slightest heat into this discussion; I want this question to be discussed on the floor of this House and I shall be very glad to answer any question. My friend, Pandit Motilal Nehru says that we did that last year. Sir, his question is perfectly pertinent and my answer is this. Supposing we thought that we were wrong last time, are we going to commit the same mistake again? (Hear, hear and laughter.) I think we all make mistakes, including my friend, Pandit Motilal Nehru. I am humble enough to admit here and proclaim it that I make mistakes. (*Mr. Jamnadas M. Mehta*: "This might be another.") This might be another; but Mr. Jamnadas Mehta has never made a mistake in his life-time and I think he ought to be exported to a higher place. (*Mr. Jamnadas Mehta*: "And you to a lower one".)

Sir, just imagine the excitement that is created in some quarters if one takes a different view. Should we not discuss this question dispassionately? We find that it would not be the proper course to refuse supplies, first of all on the ground that if we adopt this policy—I do not say that the people are not entitled to adopt that policy—we must carry that policy out to its logical conclusion; and I, Sir, standing here with all the responsibility that I have to face, say that we are not in a position at present to carry out that policy to its logical consequence. (*Mr. A. Rangaswami Iyengar*: "Were you last year?") You were not and therefore you made a mistake. If I may quote the words of no less a person than Mr. Patel who occupies a place only second, (*A Voice*: "if second") if second, to Pandit Motilal Nehru in the Swaraj Party. He said, "We will go out into the country and start a campaign of non-payment of taxes." That was one of the logical consequences. (*An Honourable Member*: "Did he say that?") Yes, he did say that; I standing here at present am unable to endorse this policy.

Then, Sir, I am told that we should leave our Party free to vote as they like, and an appeal was made to me by the Honourable Member there (*Mr. C. S. Ranga Iyer*). I ask him this question. If we, with all the careful consideration that we have given to this question, have with regret to differ from him—it is with genuine regret that we have to differ from him—and if we have come to this decision and if we are to leave our Party free to vote as they like, I ask, shall we not be shirking our responsibility? Do you want us to stand here neutral?

Pandit Motilal Nehru: No, follow your conscience.

Mr. M. A. Jinnah: We are following our conscience absolutely.

Pandit Motilal Nehru: Follow your own conscience, not the party conscience.

Mr. M. A. Jinnah: Why are you making it a party question yourself?

Pandit Motilal Nehru: I offer to release my party from all obligation in this matter.

Mr. M. A. Jinnah: That is only when it suits Pandit Motilal Nehru. But, Sir, I ask him, I do appeal to him and I am sure that he will agree with me—at least I hope he will agree with me—what is the good of a party unless, when the party has come to a decision, a clear decision, that we cannot agree, we are going to enforce that decision of ours and make it a party-question? What is the good of a party at all? I do not want to enter into any further arguments on this question; but I do maintain that it was due to the dignity, to the self-respect and to the responsibility that this party owes to itself that if it came to a clear conclusion on a particular issue it must have the courage of its conviction and make it a party question and not shirk it. I maintain and I repeat that that is the only honourable course for any party to take

Mr. C. Duraiswami Aiyangar: May I rise to a point of order? We are not discussing about party questions here; the Government Benches are not certainly anxious to know what are party questions.

Mr. President: The Honourable Member should have raised that point when Mr. Ranga Iyer was on his feet.

Mr. M. A. Jinnah: I think I have really answered that point and I have nothing more to say on that.

Now let us take the second proposition of my friend Pandit Motilal Nehru. He described the grievances of the passengers, the sins of omission and commission on the part of the railway management, the Railway Board, Indianization of the services, discomforts of passengers, and so on and so forth. Now, Sir, all these things are very true indeed. But if those are the only grounds, if they are the real grounds, then I can understand our adopting the proper procedure for that purpose

Pandit Motilal Nehru: May I rise to a point of explanation. I rested my case entirely on the constitutional ground, and then mentioned certain facts to show how irresponsibly the Railway Board had conducted itself all these years. I did not go into each of the grievances, but only referred to them as illustrations of irresponsibility.

Mr. M. A. Jinnah: I understand that the argument is that we must dismiss the officials because this Board is irresponsible. Now, let us examine, Sir, the constitution of this Board.

Mr. Chaman Lall: Examine it.

Mr. M. A. Jinnah: I want my Honourable friend to have a little patience. He knows the constitution better than perhaps anybody else.

Mr. Chaman Lall: I have read it.

Mr. M. A. Jinnah: I grant him the credit of having read it last perhaps. I admit, Sir, I read it a long time ago, but I have worked it. Well, now, let us examine the constitution of the Railway Board. The Railway Board is entirely subject to the Government. I think that cannot be denied by any one who has read the constitution of that Board. (A Voice: "So is a Provincial Government.") Yes. The Railway Board, therefore, are nothing else but a set of servants who are employed on certain salaries, and

these servants constitute themselves into a body. But they are entirely under the control and the orders of the Government of India. (*A Voice*: "And the Secretary of State.") and the Parliament if you like. Now, says my friend Pandit Motilal Nehru that because the Government of India who are responsible (*A Voice*: "To whom?") If Honourable Members will allow me to finish, I shall answer them. Now it is said because the Government of India are responsible for the policy, programme and administration of the Railway Board, because they in their turn are responsible to the Secretary of State, because we have got a large number of grievances, because they have not been either attended to or satisfied or complied with, therefore we should dismiss a certain number of subordinate servants who have formed themselves into a Board and who are under the orders of somebody else who is responsible, if at all, to this Legislature. I can understand my friend Pandit Motilal coming forward and raising a question of a constitutional character and saying, "Here is a department of the Government of India that is responsible for all this and I will reject the vote so far as that particular department is concerned". But in your anger, you hit not the Government of India who are responsible, you reject an item which is intended to pay Railway servants

Mr. M. S. Aney (Berar Representative): Where is the harm in hitting hard those who are nearest and dearest to the Government of India.

Mr. M. A. Jinnah: If you are going to vote, Sir, on the constitutional question that you shall reject a vote on the highest salary, I think I should have to consider whose salary I should reject. There is a clear fallacy in the argument of my friend Pandit Motilal Nehru.

I will only say one more thing on this point. If we are going to consider the various grievances and the various complaints, we have got various motions tabled before us for that purpose.

Then, lastly, I will point out this. We, this Assembly, were a party to a convention between the Government and ourselves. That was only last September. Under that convention—I do not wish to read those terms because they must be fresh in the minds of Honourable Members—but under that convention we brought the railway administration under an altogether different category. The railway administration was intended by that convention to be commercialised, and we with the consent of the Government adopted that convention in which all the points which we now complain of were embodied, namely, Indianisation, an Indian Member on the Railway Board; all these matters were discussed only as recently as September last. For the first time after a few months my Honourable friend Sir Charles Innes comes here and presents his report as if he is the Chairman of the Board. I assure you that I am far from satisfied with it. I assure you that the Honourable Sir Charles Innes will have to do a great deal before I shall get up in this House and say to him or to his successor that I am now satisfied with your policy, with your programme and with your administration. I entirely agree that there are innumerable grievances, in fact the grievances have accumulated, as Pandit Motilal Nehru himself pointed out, they have accumulated for more than a quarter of a century. (*A Voice*: "For more than three quarters of a century.") Now, what is the good, Sir, of raking up that old history, bare as it is. Now, give the Honourable Sir Charles Innes or his successor a chance under this convention and then let us see, and then apply your spur (*A Voice*: "Mercilessly") as mercilessly as you can.

Mr. C. S. Ranga Iyer: Grievances before supplies, apply the spur mercilessly before supplies.

Mr. M. A. Jinnah: Give Sir Charles Innes a chance, and then apply your spur mercilessly. If you can do that, I shall be with you. Please drop your phraseology "grievances before supplies." (*A Voice:* "Why"?). Because you don't agree to give a chance under this convention, and that is why I don't agree with you.

Mr. Jambadas M. Mehta (Bombay Northern Division: Non-Muhammadan Rural): Have you no grievances?

Mr. M. A. Jinnah: I admit we have grievances, innumerable grievances, but I am not in a position to stand up here and approve of the policy of refusing supplies.

Mr. C. S. Ranga Iyer: You are playing with words.

Mr. M. A. Jinnah: Yes, I am playing with words. You better consult your colleague Mr. Chaman Lall who is the latest authority on the constitution. Therefore, I say that it will not be right for us to refuse supplies. All that we want is this. We entirely agree that there are innumerable grievances. We hope that these grievances will be discussed one after another, and I shall endeavour my best on such points as I may be able to understand to join in applying that spur to the Railway Member mercilessly.

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): Sir, I had no intention to take part in this debate to-day, had not the speech of my friend, Mr. Jinnah prompted me to rise. He made a reference to my speech when the Demands for Grants were considered last year at this time. He happened to say that I then stated that I would go out to the country and ask the people to go in for a movement of non-payment of taxes. I wish he had read my speech before he made that statement. (*Mr. C. S. Ranga Iyer:* "Hear, hear. Mr. Jinnah never reads.") I will read the very words that I used:

"But are you prepared for the next step? What is that next step? Mass movement: non-payment of taxes. I hope my friend the Honourable the Home Member has not forgotten the mass movement of 1921. The Honourable the Home Member says that the country is not ready and my Honourable friend Mr. Pal also thinks so. I do not agree. Therefore we want you either to accede to our demands or to drive us to the mass movement."

Mr. M. A. Jinnah: That is exactly what I said.

Mr. V. J. Patel: Will you kindly follow. Don't be in a hurry:

"The responsibility will be yours. We shall refuse supplies. The Government of the country then will have to be carried on by veto and by certification. We go to our people and we place the facts before them. Why? For the matter of that, when I stood for election the very first sentence in my manifesto was, 'I stand as a candidate for the Assembly, and, if I be elected, I shall endeavour to the best of my capacity to embarrass and to obstruct the bureaucracy by all peaceful means, by all legitimate means, unless and until the national demands are conceded to the satisfaction of the Indian National Congress.'"

These are the words I used. What I wanted to convey was that we were here to obstruct the bureaucracy at every stage and at every step. (*Mr. Bipin Chandra Pal:* "Have you done it?") It is our misfortune that we are not able to do all that we are here for because my friend Mr. Pal and my friend Mr. Jinnah are here. (*Mr. Bipin Chandra Pal:* "Are you

a member of the Railway Board Committee?") Yes, I am a Member of the Railway Board Committee. (Mr. Bipin Chandra Pal: "Is that co-operation or non-co-operation?") My friend Sir Charles Innes said that he was surprised at this motion coming before this House. As a matter of fact, he had no business to be surprised. I in the Railway Finance Committee took this point and intimated that I would move in the Assembly for the reduction of the Railway Board demand. He knew it for days past that this motion was coming. There is, therefore, no reason for surprise. But what I wanted to convey last year was, Sir, that we would obstruct the Government at every stage and at every step and, if we could help it, we would compel the Viceroy to certify everything that comes up before this Assembly, the Bills, the Resolutions, and everything also. We would compel the Government to carry on this administration not with our consent but merely by veto and certification and having done that, it would be our duty to go to our people and tell them, "Here we are, we have done what we can. It is now for you to go in for a non-payment of taxes campaign." But as things stand, we have got friends amongst us who would not see eye to eye with us in the programme that we have chalked out, in the programme that we wanted to carry out, but, on the contrary, they advise us not to go forward, not on the ground that people are not prepared, but on the ground that ours is not a proper programme. I cannot understand how it cannot be called a proper programme. It is a constitutional method. One clear duty of the representatives of the people is to refuse supplies when the grievances are not redressed and a case has been made out by my friend, Pandit Motilal Nehru, clearly that the grievances are there, they are long-standing, and it is the duty of the representatives of the people, if they really represent them, to refuse supplies to this Government.

Now, Sir, my friend, Mr. Jinnah tried to distinguish the railway Administration from the rest of the administration. I tried to follow him as far as I could but unfortunately I have not been able to understand what he really wanted to convey to this Assembly. I do not know how one can distinguish the railway administration from any other part of the administration of this country in connection with the question of refusal of supplies. As a matter of fact, if my friend, Sir Charles Innes, was the Minister of Railways, I should not have thought of supporting Pandit Motilal Nehru. All that Pandit Motilal Nehru wants is that Sir Charles Innes should be responsible to this House. Sir Charles Innes is not responsible to this House. He represents the Railway Board in this House. That Railway Board is not responsible to this House. As my friend, Mr. Chaman Lal very rightly pointed out, a number of high officials on the Railway Board, the Chief Commissioner, Directors and Deputy Directors, are all appointed by the Secretary of State. Then again, going further down, all the Agents on the different Railways are appointed by the Secretary of State. Where is the responsibility to this Legislature at all? My friend, Mr. Jinnah, hinted that the Railway Board was responsible ultimately to this Legislature. I join issue with him. (Mr. M. A. Jinnah: "I never said that.") Very well, I am glad you did not say that. Mr. Jinnah said nobody is responsible to the Legislature. (Mr. M. A. Jinnah: "Even you are not.") Certainly not, I am not responsible to you but I am responsible to my constituency. And they have sent me here for a particular purpose and with a mandate. You are independent and so you are not responsible to anyone. My friend, when the Demands for Grants were discussed last year, joined us in throwing out

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"Customs." Where was the sense in it? He joined us in throwing out "Salt." He joined us in throwing out the "Income-tax" demand. He joined us in throwing out the "Opium" demand. And now he comes forward and says; "No, Railway must be treated separately." And yet he holds out some hope to us that the matter of the General Budget he might think of doing something and joining us. What is that something. I cannot understand. As a matter of fact, my friend, Mr. Jinnah does not know what he wants to do. He does not know his own mind. I am not at all surprised at his attitude. From the time this Nationalist Party was formed, he was against the obstruction policy, but some how or other he thought he was being taken to the slaughter-house. (Laughter.) These are not my words: they are words which Mr. Jinnah himself used at the time when the divisions for all those four grants were taken. He actually said in so many words that it went against his grain to vote against these demands but he was being taken to the slaughter-house; he had committed himself and he had no option, and therefore this time he quietly tries to escape from the situation. As a matter of fact the Nationalist Party, by the very constitution under which it came into being, is bound to a policy of obstruction, once it is found that the national demands are not conceded. There has not been sufficient response to the Resolution passed by the Assembly last year and the Nationalist Party is bound to join the Swaraj Party in obstructing the Government. I will just read the relevant portion of that constitution:

"If the Government do not make a satisfactory response to the Resolution demanding reforms within a reasonable time, the party will then be bound to a policy of obstruction and will put the policy into operation at the earliest period when the Demand for Grants is made by the Government by refusing supplies."

According to this rule the Nationalist Party after waiting for a reasonable time to see if there is any satisfactory response to the Resolution regarding Reforms, are bound to throw out the Demands for Grants when they come up to the Assembly. This was done last year. The rule holds good even to-day and if there was any case for throwing out the Budget, at any time, it is 10 times stronger to-day than it was last year, and there is absolutely no reason why any Nationalist who has subscribed to this constitution should keep out from the policy that the Swaraj Party is pursuing to-day. We are in all honour bound to throw out every demand for grant. We are told, "What is the good of throwing out one demand under the Railway Board? If we are consistent, we should throw out the whole Budget." Quite so. I entirely agree.

Mr. M. A. Jinnah: May I rise to a point of explanation, Sir? It is not correct to say that. The latest rules which have been adopted by the Nationalist Party lay down that with regard to the policy of obstruction and with regard to the refusal of supplies the two groups, namely, the Independent group and the Swarajist Party are free to decide as they please unless there is agreement between them.

Mr. V. J. Patel: Quite right. I entirely agree with my friend Mr. Jinnah that they have passed a recent rule giving freedom to each party to decide for itself whether to go in for obstruction or not. But when they had pledged themselves to a policy of obstruction once, why and how could they go in for a change? Because they did not want to go in for obstruction this year they managed to have the rule altered. The Swaraj Party

has no power to compel the independents to stick to their promise and agreement. As a matter of fact, they are bound in honour to abide by the original agreement by which they pledged themselves to obstruct. They cannot get out of it so long as there has not been satisfactory response on the part of Government. They are pledged to a policy of obstruction till then and no one can get out of it and no one should attempt to get the rule changed and then take shelter under that change. Perhaps in the opinion of my friend Government have responded.

Mr. Jamnadas M. Mehta: There is the Ordinance.

Mr. V. J. Patel: I forgot about the Ordinance. Perhaps that is response according to Mr. Jinnah. I cannot understand how any Member from Bengal can with any conscience really help the Government in carrying on the administration of this country in face of Ordinances and Regulations.

Mr. Bipin Chandra Pal: I will borrow your conscience.

Mr. V. J. Patel: Wait, I will just quote you, my friend. (Laughter.) My friend Mr. Bipin Chandra Pal, when we were discussing the Demands for Grants last year, gave the following advice to us. He said:

"I do not believe in that. Those who believe in it, let them vote for it. I do not believe in this petulant futility; and therefore I cannot vote for Pandit Motilal's proposition. Neither can I vote with the Government, because I see that, if there is extreme unreasonableness on one side, there is equally extreme unreasonableness on the other side also."

Mr. Bipin Chandra Pal: Not on the Railway Budget.

Mr. K. Ahmed: Give him the benefit of the doubt.

Mr. V. J. Patel:

"When two unreasons fight each other, the safest thing for those who believe in their own reason and conscience is to sit tight in their own seats."

This was the position of my Honourable friend Mr. Bipin Chandra Pal last year. His position was that the Government were unreasonable, but that Pandit Motilal Nehru and his party were equally unreasonable, and therefore, he as a man of conscience would sit tight in his seat. I ask him, "Are the Government more reasonable to-day—more reasonable than the Swarajists?" That is what I want to know from him. The fact is that his own kith and kin have been taken into custody, and God knows where they are kept, without any trial under the Bengal Ordinance and the Bengal Regulation. Has the position in any way improved? Has he any kindly eye towards those friends, those Bengali brethren of his, or is he prepared to say to-day, "No, Government have become more reasonable and we are going to oppose Pandit Motilal Nehru." I once again remind him that last year he did not vote either with us or with the Government. I admire my friend Mr. Jinnah because he says he made a mistake last year. But I cannot understand how he can ask us to distinguish between the Railway administration and the administration of other Departments of Government.

Mr. M. A. Jinnah: I rise to a point of explanation. I think my Honourable friend misunderstood me. I did not say I made a mistake in the sense that I deliberately blundered, but I said I made a mistake in joining a party which laid down the decision which I was bound in honour to obey. I surrendered my judgment when I joined the party.

Mr. V. J. Patel: He took a prominent part in making the rule. Now he belongs to the Independent Party without surrendering his judgment! If by joining one party one has to surrender his judgment, then he should not belong to any party, and yet, to-day my friend is the leader of a party and he wants every member of that party to surrender his judgment to that party.

Mr. M. A. Jinnah: I do not think so.

Mr. V. J. Patel: You have made it a party question. My friend Pandit Motilal Nehru said that he was prepared to leave every member of the Swaraj party to vote according to his conscience. You on the contrary were not prepared to do so. You said that it would weaken your party. You wanted others to surrender their judgment. To-day you come forward and say that last year you made a mistake in surrendering your judgment. To-day you would like others to surrender their judgments but you would not like yourself to surrender your judgment. That is the position.

Mr. M. A. Jinnah: May I rise to a point of explanation. If this question is allowed to be gone into, I think it right for me to be plain. Mr. Patel knows perfectly well that the Independent Party cannot make any question a party question, unless there is the requisite majority for it and that requisite majority and more than the requisite majority was there.

Mr. V. J. Patel: All the same, the minority has to surrender its judgment, whether it was a 3/4th majority or a 2/3rd majority or a 5/6th majority on the other side. My friend Mr. Jinnah had to surrender his judgment last year and he said he made a mistake. This year he says he would not like to surrender his judgment and therefore he has got the rule changed. Very good of him. But why does he expect his other friends to surrender their judgment to him in the Independent Party? That is the question I put to him.

Mr. M. A. Jinnah: He need not belong to the party.

Mr. V. J. Patel: You belong to the Nationalist Party all the same and it is your duty if you are really a member of the Nationalist Party, if you really believe in the constitution which you yourself were a party to last year, to go in for obstruction with the Swarajists. You cannot get out of it. I was very glad to hear my friend Mr. Jinnah only the other day telling the benches opposite that he had no faith in the *bona fides* of Government while talking on the Resolution of my Honourable friend Mr. Raju. To-day he comes forward and asks us to give a chance to Sir Charles Innes. Why give a chance to Sir Charles Innes? To work the convention. Then why not give a chance to the whole Government to work the Reform Act? I cannot understand the distinction. Here is a convention under which we are asked

Mr. C. Duraiswami Aiyangar: I rise to a point of order. I have brought it to the notice of the Chair that these Honourable Members have had ample opportunities outside to fight with one another and if they want to explain to the public outside they have got a number of newspapers and the Associated Press. I do not know if the time of the House should be taken up on a discussion of the views of different parties, and I do not believe that the Government themselves are anxious to know the troubles amongst these parties.

Mr. V. J. Patel: I leave that question altogether and I come to the main question, namely, whether we are right in the attitude that we are

taking up to-day. Last year we passed a certain Resolution and we expected that something would be done, that Government would make some response. We waited and waited till the last Budget came on and then we threw out some demands and the Finance Bill. Subsequently, a Committee was appointed—what is known as the Jinnah Committee or Muddiman Committee. Only the other day we were discussing the question about the repeal of the Bengal Regulation and other Acts and in my speech, I gave a clear warning to my Honourable friend Sir Alexander Muddiman that they were not publishing the report of that Committee and that they were not telling us clearly whether they were going to give us a day for its discussion or not, that they were keeping everything back from us and the time for the Budget was coming and he did not know what it all meant to us. I do not know whether my Honourable friend took that warning but I gave him a clear hint of what we were going to do with regard to the Budget. During the course of the year since the last Budget sin upon sin has been heaped together, Government have been guilty of numerous acts of omission and commission and they have defied Resolution after Resolution of this Assembly. An integral part of this so-called convention Resolution of last year was that Indians shall be appointed on the Railway Board. Government have not cared to give effect to it. They have defied that Resolution. And we are asked to give a chance to Sir Charles Innes to work that convention as I have already said, if there was a case for throwing out the Demands for Grants last year, there is a ten times stronger case this year for throwing them out. I for one am prepared to say emphatically that, if it were possible for me to obstruct this Government, I would obstruct them at every stage and at every step. I do not make a secret of it, I have said that repeatedly, and I say it again that I would like to be consistent all along, throw out every Demand for Grant not only in respect of Railways but all other departments of Government, and finally throw out the Finance Bill. I would throw out all the Bills that Government introduce and I would throw out every Resolution that Government might introduce. I would compel them to resort to the veto and to certification at every step. Let us expose the pretence of this Government that they are governing this country or carrying on the administration of this country with the consent of the people of this country. That is one good that we are doing by remaining here. We are here to tell our people that the Government is being carried on not with the consent of the representatives of the people but against their will, against their vote. Let the whole world know that the administration of this country is being carried on, as in practice it is being carried on, by the bureaucracy according to its own sweet will and pleasure and against the vote of the representatives of the people of this country. That is one good which we the Swarajists are doing in this House. We are here to prevent the co-operation of people who gave an impression to the whole world that everything was all right and that the Reforms were working very well and that the Government was being carried on with the consent of the representatives of the people. We have not forgotten the days of repression when the policy of Government was being endorsed by this Assembly. Those days are gone. I do not want to go into that unhappy history. My Honourable friend, Diwan Bahadur Rangachariar, may not like it. Whether our people are prepared for non-payment of taxes to-day or not, one thing remains that this constant fight in the Assembly day after day and session after session will make them more ready for non-payment of taxes. I am quite convinced that this Government are not going to yield to reason. There is absolutely no doubt about it, that

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reason, justice, righteousness and argument are all on the side of the representatives of the people. But Government would not listen to that. They would listen only to direct action. That is the only way, so far as I can see, which will bring them round. (Mr. M. A. Jinnah: "What is the direct action that you propose?") This is one, and it must necessarily be followed, as my Honourable friend, Mr. Pal said the other day, by a mass movement. This is merely a preparation for mass movement. This is a step in that direction. (A Voice: "Mass movement to do what?") To go in for non-payment of taxes, to go in for civil disobedience. Will you go to Bardoli with me? I therefore say that these steps are a necessary part of the great struggle which is coming. Let my Honourable friend Mr. Jinnah think that we are not ready and therefore we should not go in for this extreme step. According to him we can justify this step only when the people are ready. He forgets that unless we take this step people will never be ready. This is a necessary step. People will at once realise that our representatives have done this, that and the other, and they will say, "What are we going to do?" They will feel the responsibility and I am sure in course of time they will be prepared to go in for a wholesale movement of non-payment of taxes and civil disobedience, unless in the meantime reason prevails on the Treasury Benches which I do not expect. With these few words I support the motion of my Honourable friend Pandit Motilal Nehru.

Mr. Bipin Chandra Pal (Calcutta: Non-Muhammadan Urban): I sincerely regret the turn that this debate has taken. I regret it for our own sake but I feel that the Government Benches must have been feeling exceedingly comfortable. Let us be honest because we are among friends. They will be feeling exceedingly comfortable to see this fight between one wing of the opposition and the other. I regret, Sir, that this irrelevant reference was made to party questions which have not been published and which, so far as I understand, are meant to be confidential. The agreement between the Swarajists and the Independents was a confidential agreement. (A Voice: "It was published in the papers.") If it has been published in the papers the responsibility lies with those who supplied the information to the papers and to the papers themselves. (A Voice: "Are you a member of the Nationalist Party?") I am a member of the Independent party. I had the correspondence between the Independents and the Swarajists before me. I might have been tempted as a journalist to take a copy of the whole correspondence and publish it throughout the whole of India this morning and India would have known who is responsible for the break-up of this Nationalist opposition in this House. Not we.

Pandit Motilal Nehru: Publish it by all means.

Mr. Bipin Chandra Pal: Thank you. I will publish it with your permission. Now, I do not want to be drawn away from the legitimate subject of this debate. I regret that this incident has arisen to divide us and to add somewhat also to the acerbity of the relations between this wing and the other wing of the Nationalist Party. We are anxious to work together. We know that we have a common goal, that we have a common enemy to fight. We are anxious to work together and we are anxious also to work in the light of our own reason and conscience and not to be dragged behind the chariot wheel of a powerful party which has got

more physical force than we have. Now, Sir, what is the issue? It has been said "grievances before supplies". I read in my school days a little of these constitutional matters. I read even now in the newspapers how these things are done in other countries. Now, if Mr. Hindley had been a responsible Minister of the Government of India I might have understood a motion to cut down his salary or to refuse his salary but in this Railway Board there is not a single member who is a responsible member of the Government. They are subordinate servants. I have yet to learn, Sir, that the salary of any member or of any group of members, say, in the Foreign Office, is asked to be refused on the ground that the Foreign Minister has managed his department wrong.

Mr. A. Rangaswami Iyengar: Does the Honourable Member know that even now the salary of the Chief Commissioner and of the members of the Railway Board is not votable?

Mr. Bipin Chandra Pal: I always look for light upon constitutional questions from my friend Mr. Rangaswami Iyengar but I have got this paper before me and I have got my specks on my eyes also. I see that the members of the Railway Board have got their salary non-votable. Yes, that is a point that we have no right to vote on it.

Mr. V. J. Patel: We want to get that right.

Mr. Bipin Chandra Pal: Yes, but this is not the way, according to our humble light, to get that right.

Now, Sir, there are many things which my friend Pandit Motilal Nehru has said with which we are in entire agreement. He has complained against the Railway Board as it is constituted. It is the complaint not only of the Swarajists either here or outside. It is the complaint of the whole country. We want more representation of Indian talent and Indian experience and Indian knowledge on the Railway Board. He has complained of other things also—the grievances of the railway passengers. That is a complaint that is common to every part of the country. We have all complained of all these things. We have complained of the way in which our complaints are treated by the authorities. This is not the special dispensation of the Swarajists here to claim that it is only they who have got a complaint in regard to these matters. But the issue here is quite different. The issue here is really whether we are going to have a Railway Board or not. You want to refuse the total Demand No. 1. What is this demand? The total demand is 9,86,000 voted and 5,06,000 non-voted which covers the salaries of the members of the Railway Board. The voted, which is within your right really to reject, covers the salary of 37 permanent assistants who draw pay from 180 to 500, head draftsman 350—500, clerks, draftsmen, etc., stenographers 16, servants 78, etc. You have got there Rs. 9,86,000 which will be paid to your men and suppose you do not pass this vote and accept this motion of my friend the Honourable Pandit Motilal Nehru and vote the whole demand down and if His Excellency the Viceroy is pleased to tell you, "You will have your own way. Now, gentlemen, I will close down all these salaries and I will not provide by certification or restoration for the salary of the permanent assistants, head draftsman or clerks, draftsmen and stenographers and others", what will be the position? Who will suffer? You say, "We want them to restore it". I dare say His Excellency the Viceroy will not be so unreasonable as to punish others for our sins. I know he

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will not be unreasonable but will restore the grant and it is on that assurance that my friend now brings forward this motion. Last year "Customs" were thrown out without considering the merits of the case. My friend Pandit Motilal got up in this House and proposed "Let us throw out the Customs". The "Customs" were thrown out and I remember, Sir, when he made that proposal he distinctly said, "We know that Government will restore this grant". Yes, you knew that Government would restore this grant. It is like setting fire to your house after having given notice to the Fire Brigade to come and put it out. This is just like that. And then what was the constitutional effect of it? If we are out for a revolution, if we are out to destroy the present bureaucracy by force of arms, I can understand this but we want to proceed constitutionally from precedent to precedent. We want to create conventions. Even my friend the Honourable Pandit Motilal helped in the creation of a convention in regard to the separation of railway finance from general finance. We want to create conventions and all the world over constitutional advance has been made through the creation of conventions and we want to create conventions if we can, that the Viceroy shall not ordinarily certify a rejected grant. When the Viceroy certified the rejected "Salt" Demand he did wrong and in the course of 12 months the Government had to confess that they were wrong and they had to return to what the Assembly wanted.

Pandit Motilal Nehru: Will my friend point out one single instance in history where alien rulers established conventions between themselves and subject races?

Mr. Bipin Chandra Pal: I want to know of one instance in history where passive resistance has not been followed by active rebellion. (*An Honourable Member:* "Why not?" *Another Honourable Member:*

"We are making history.") You are making history I know. Now, Sir, that is what I understand of constitutional practice. I want to make it as difficult as difficult it may be for His Excellency the Viceroy to restore any grant rejected by this House. I want to make it as difficult as difficult as it can be for the Viceroy to certify any Bill rejected by this House; and therefore I was opposed to the last year's motion of the Honourable Pandit Motilal Nehru, and for that reason I am opposed to this motion also.

An Honourable Member: Why did you sit tight then?

Mr. Bipin Chandra Pal: I have been asked why I did not vote the last time against my Swarajist friends on the question of Customs revenue. I will give out a secret. I was asked, "For goodness' sake, let us throw out one demand to show our anxiety to get Swaraj quickly".

Pandit Motilal Nehru: Where was your conscience then?

Mr. Bipin Chandra Pal: My conscience is in my keeping, Sir, morning, midday and at night also, in Delhi, in Calcutta and in Simla also. My conscience was in my keeping last time in Delhi, and it was in my keeping during the June session at Simla.

An Honourable Member: Where was it when you did not vote?

Mr. Bipin Chandra Pal: It was in my keeping during the June session and in September. Where was Mr. Patel's constituency when they made that bridge between the Swarajist obstruction and the Government to help the Tata Steel and Iron Industries Protection Bill? Where was his

consistency, Sir, when they passed the supplementary budget in the Simla session? Where was their consistency when they passed the other supplementary budget demands even in this very session?

Mr. A. Rangaswami Iyengar: May I say the Swaraj Party as such never voted for nor participated in any debate on any supplementary demands?

Mr. Bipin Chandra Pal: I never knew that the words "as such" like charity covered a multitude of sins. The Swaraj Party "as a party" did not refuse those supplies, but A, B, C, D, including A, the leader of the Swaraj Party, did all this.

Pandit Motilal Nehru: My friend is entirely mistaken and is completely misrepresenting the Swaraj Party. No member of the Swaraj Party, either as such or as anything else, ever took part in the voting of any supplementary demands or in the debate on such grant.

Mr. Bipin Chandra Pal: Not even on the Tata Bill? Was not that a Finance Bill?

An Honourable Member: It was not a Finance Bill. You must read your history again.

Mr. Bipin Chandra Pal: Was not the Tata's Bill a Finance Bill? The Honourable Member could not bring in a Bill like that. It was to pay money out of the public exchequer, and any Bill which means to pay money out of the public exchequer is a Finance Bill for all I know.

An Honourable Member: Do not dabble in law.

Mr. Bipin Chandra Pal: No, Sir, I do not dabble in law; I dabble in politics, and in state craft and in journalism, and in literature. Now I will not introduce any more heat. We have had enough of it. The whole question is this. What shall we gain by throwing out this motion? It has been said, we shall embarrass the Government. I am prepared to embarrass the Government if the embarrassment of the Government will lead me to my goal, but this embarrassment, I am convinced, Sir, will not lead us to our goal, it will only embarrass us. It will not demoralise the Government; it will not weaken the position of the Government. It will only weaken our position. (*An Honourable Member:* "Why?") Let us agree to differ. If you did not think your position would be strengthened by this thing you would not have done it. I feel my position, as representing my constituency, as representing public opinion, as representing the increasing mistrust of the policy of obstruction in the whole country which is evidenced all over, as representing that view, I think, Sir, that the passing of this motion will not lead us to our goal but will weaken our position and strengthen the position of the Government. For these reasons, Sir, I oppose this motion of my friend Pandit Motilal Nehru.

An Honourable Member: I move that the question be now put.

Mr. President: The question is that the question be now put.
The motion was adopted.

Mr. President: The original question was:

"That a sum not exceeding Rs. 9,86,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of the Railway Board."

Since which an amendment has been moved:

"That the Demand under the head 'Railway Board' be omitted."

The question I have to put is that the Demand be omitted.

The Assembly divided:

AYES—41.

Abhyankar, Mr. M. V.
 Acharya, Mr. M. K.
 Aiyangar, Mr. G. Duraiswami.
 Aney, Mr. M. S.
 Belvi, Mr. D. V.
 Chaman Lal, Mr.
 Das, Pandit Nilakantha.
 Duni Chand, Lala.
 Dutt, Mr. Amar Nath.
 Goswami, Mr. T. O.
 Govind Das, Seth.
 Gulab Singh, Sardar.
 Hans Raj, Lala.
 Hari Prasad Lal, Rai.
 Ismail Khan, Mr.
 Iyengar, Mr. A. Rangaswami.
 Jeelani, Haji S. A. K.
 Kazim Ali, Shaikh-e-Chatgam Maulvi
 Muhammad.
 Kelkar, Mr. N. C.
 Kidwai, Shaikh Mushir Hussain.
 Lohokare, Dr. K. G.

Mehta, Mr. Jaganadas M.
 Misra, Pandit Shambhu Dayal.
 Misra, Pandit Harkavan Nath.
 Murtaza Sahib Bahadur, Maulvi
 Sayad.
 Narain Dass, Mr.
 Nehru, Dr. Kishental.
 Nehru, Pandit Motilal.
 Nehru, Pandit Shamlal.
 Patel, Mr. V. J.
 Piyare Lal, Lala.
 Ranga Iyer, Mr. C. S.
 Ray, Mr. Kumar Sankar.
 Roy, Mr. Bhabendra Chandra.
 Samiullah Khan, Mr. M.
 Sarfaraz Hussain Khan, Khan
 Bahadur.
 Shafee, Maulvi Mohammad.
 Singh, Mr. Gaya Prasad.
 Sinha, Mr. Ambika Prasad.
 Sinha, Kumar Ganganand.
 Syamacharan, Mr.

NOES—66.

Abdul Mumin, Khan Bahadur
 Muhammad.
 Abdul Qaiyum, Nawab Sir Sahibzada.
 Abul Kasem, Maulvi.
 Ahmad Ali Khan, Mr.
 Ahmed, Mr. K.
 Aiyer, Sir P. S. Sivaswamy.
 Ajab Khan, Captain.
 Akram Hussain, Prince A. M. M.
 Alimezzaman Chowdhary, Mr.
 Ashworth, Mr. E. H.
 Badi-uz-Zaman, Maulvi.
 Bhole, Mr. J. W.
 Blackett, The Honourable Sir Basil.
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Calvert, Mr. H.
 Chetty, Mr. R. K. Shanmukham.
 Clow, Mr. A. G.
 Cocke, Mr. H. G.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Fleming, Mr. E. G.
 Fraser, Sir Gordon.
 Ghose, Mr. S. O.
 Gour, Sir Hari Singh.
 Graham, Mr. L.
 Hindley, Mr. C. D. M.
 Hira Singh, Sardar Bahadur Captain.
 Hudson, Mr. W. F.
 Hassanally, Khan Bahadur W. M.
 Innes, The Honourable Sir Charles.
 Jajodia, Baboo Runglal.
 Jinnah, Mr. M. A.
 Joshi, Mr. N. M.

Kasturbhai Lalbhai, Mr.
 Lindsay, Mr. Darcy.
 Makan, Mr. M. E.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable Sir
 Alexander.
 Muhammad Ismail, Khan Bahadur
 Saiyid.
 Mutalik, Sardar V. N.
 Naidu, Mr. M. C.
 Nambiyar, Mr. K. K.
 Pal, Mr. Bipin Chandra.
 Purshotamdas Thakurdas, Sir.
 Raj Narain, Rai Bahadur.
 Ramachandra Rao, Diwan Bahadur M.
 Rangachariar, Diwan Bahadur T.
 Reddi, Mr. K. Venkataramana.
 Rhodes, Sir Campbell.
 Rushbrook-Williams, Prof. L. F.
 Sarda, Rai Sahib M. Harbilas.
 Sastri, Diwan Bahadur C. V.
 Visvanatha.
 Shams-uz-Zoha, Khan Bahadur M.
 Sim, Mr. G. G.
 Stanyon, Colonel Sir Henry.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Venkatapatiraju, Mr. B.
 Vishindas, Mr. Harchandrai.
 Webb, Mr. M.
 Williams, Mr. W. S. J.
 Wilson, Mr. R. A.
 Yekub, Maulvi Muhammad.

The motion was negatived.

The Assembly then adjourned for Lunch till Three of the Clock.

The Assembly reassembled after Lunch at Three of the Clock, Mr. President in the Chair.

PAY OF OFFICERS OF THE RAILWAY BOARD.

Mr. V. J. Patel: Sir, may I draw your attention to the fact that Motion No. 7 on the list in my name is similar to motion No. 1 and that my Honourable friend, Khan Bahadur Sarfaraz Hussain Khan, desires that I should move mine in place of his, with your permission?

Mr. President: I was taking Nos. 1, 3 and 4 together because they all raise the question of pay of officers under the Railway Board. Is that the point which the Honourable Member wishes to raise now?

Mr. V. J. Patel: Sir, I beg to move that the Demand under the head "Railway Board" (pages 1—2) be reduced by Rs. 77,000.

Members will see that this motion is a general one, while motion No. 1 is restricted to the Deputy Director's pay. I do not restrict my motion to the pay of any individual officer, but it extends to the pay of several officers. If you will compare the expenditure on the Railway Board last year with that of the budgeted amount, you will see that under the heading "voted" last year the revised estimates were 7.81 and the "non-voted" were 4.35, while the budgeted figures are 9.86 and 5.06 respectively. That means that last year the Railway Board spent Rs. 12 lakhs and odd, while this year we are called upon to sanction Rs. 14 lakhs and odd. I submit, Sir, that this is to say the least of it very extravagant. The Acworth Committee recommended that under the decentralisation which they had recommended, if it was carried out, most of the detailed work of the Railway Board would be lessened materially. I will invite the attention of my friend, the Honourable Sir Charles Innes, to paragraph 12 of the Annual Administration Report for 1923-24, which says:

"The ultimate object indicated by the Acworth Committee was a large measure of decentralisation to the railway administration, that is, to the Agents of the State-managed Railways and the Board of Directors of the Company-managed Railways."

As a result of this recommendation, 60 per cent. of the correspondence work of the Railway Board has been reduced. You will find this at page 9 of that report, paragraph 18 the last four lines:

"Considerable delegation was made to Agents in matters relating to establishment which has resulted in a reduction by 60 per cent. of the references previously made to the Railway Board."

You will thus see, Sir, that a large amount of work has been reduced as a result of the adoption of the recommendation of the Acworth Committee; and yet we find that we are asked to sanction Rs. 2 lakhs more this year.

Now, Members of the Assembly will perhaps be curious to know how I arrive at this figure of Rs. 77,000. I shall explain to you. Under the heading "Directors" the votable amount was 27 last year and this year it is 33, while the non-voted has been increased from 1.01 to 1.50. That means that Rs. 49,000 has been added to the non-votable amount. It is impossible for us—we have no power—to touch the non-votable amount; and the only course open to us is to reduce the votable amount, namely, Rs. 33,000; and I submit that this Assembly should not vote this Rs. 33,000. I understand that the Railway Board intends to have one additional

[Mr. V. J. Patel.]

Director this year; I do not know how far it is true, but that is why this additional provision appears to have been made, and I submit that you have got so many officers now that it is absolutely unnecessary that we should go on adding to the number of the existing high officials. You have got one Chief Commissioner and three Members; you have provided for five Directors—I say, have four only. Then you have got one Secretary, seven Deputy Directors, four Assistant Directors, and you have got so many Superintendents. I submit, Sir, that there is a superfluity of high officials and therefore the first cut that I propose is Rs. 33,000 in the votable amount proposed in regard to Directors.

The second cut that I propose is in the votable amount of Deputy Directors, which is 78. Last year it was Rs. 60,000, while this year it is Rs. 73,000. I therefore submit that as we cannot touch the non-votable amount the only course open to us is to ask the Government to reduce the votable amount, and I propose a cut of Rs. 18,000 there.

Then there is the amount of Rs. 51,000 votable under the heading "Assistant Directors". Last year it was Rs. 33,000; this year it is proposed to spend Rs. 51,000—perhaps they propose to add one more Assistant Director to the number already existing. So I propose a cut of Rs. 18,000 there.*

Passing on to Superintendents, I find that Rs. 68,000 was provided last year in the revised estimates, while this year it is proposed to spend Rs. 73,000. I therefore propose a cut of Rs. 5,000 there. That makes in all Rs. 74,000; and as a consequential cut, I propose a cut of Rs. 3,000 in the allowances, which will make up Rs. 77,000. That is how I have made up Rs. 77,000.

I submit, Sir, that the whole of this large increase of Rs. 2 lakhs more should not be voted; I propose a small cut of Rs. 77,000 out of that Rs. 2 lakhs, and I trust the House will agree with me that this is reasonable. We have had a good fight over the main question, the wider question. Now we propose to fight the Government inch by inch. This morning we were defeated; we admit the defeat, but that is no reason why we should run away from the fight. We propose to fight inch by inch at every stage wherever we find that you can be attacked and censured, and we propose to stand by our Independent friends shoulder to shoulder in that fight.

Mr. President: Motion moved:

"That the Demand under the head 'Railway Board' be reduced by Rs. 77,000."

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadan Rural): *Sir, I have given notice of a similar motion for reducing the grant by Rs. 50,000 under this head. My reasons are not indifferently the same as those of my friend, Mr. Patel. In the first place my point is that under the head Directors Honourable Members will notice that there is a difference of nearly Rs. 50,000 between the estimates of 1924-25 and the proposed estimate for 1925-26. The number of officers shown under this head is 5. I do not know whether during the current year there were 4 or 5 officers. I think, Sir, in this connection I might suggest that in regard to new appointments they may be shown in the usual manner in the Budget, namely, that the figures for the current year

* Not corrected by the Honourable Member.

and the figures for the budget year may be shown separately, so that we may be able to follow easily the figures of establishments. That is the way in which the other Budget is prepared, and I believe, Sir, in the case of the Railway Budget also the figures of establishments should be shown separately both for the current year and also for the budget year, so that we may be in a position to follow them easily. My Honourable friend Sir Sivaswamy Aiyer, who was in the Railway Finance Committee, says that this suggestion was made and agreed to, but, I am not now in a position to say whether 4 or 5 officers were employed during the current year and whether it is proposed to employ the same number of officers during the coming year. Anyway, I see a difference of Rs. 50,000 in the budget estimates. My reason for asking for this reduction is to get an explanation as to why the Government now wish to employ one more Director in the current year. I see from a statement somewhere in the papers that it is proposed to appoint a Director of Finance. We have already got a Financial Commissioner, and I should like to know what case has been made out for the appointment of another officer known as the Director of Finance at a cost of Rs. 30,000. That is the first point that I wish to raise in regard to this motion.

The second point that I should like to raise is whether the Government have come to any decision as to the officer to be appointed to this post. I am raising the question of the Indianization of the services in this connection, and I would suggest that, if it is necessary to appoint a Director of Finance, the Railway Board must comply with the general wishes expressed in this House so often, that new officers should, as far as possible, be Indians. Therefore, the first point is, is there any necessity to appoint a new officer known as the Director of Finance, and, if it is absolutely necessary and if we are satisfied that that officer should be employed, then my second suggestion is that he should be an Indian. The Financial Commissioner is a Member of the Indian Civil Service, and in regard to all future appointments my suggestion is that you should appoint Indians when the opportunity arises.

Sir, the Honourable Sir Charles Innes stated the other day in discussing the Railway Budget that we do not know the English temperament or the Scotch temperament, and that once the policy is adopted either by the Legislature or the Government, he, as a Member of the Government, was perfectly willing to carry out that policy. In this connection I would therefore suggest to him that the question of Indianization has been accepted by the Government, and there is no reason why, if a new officer is really required, the Railway Board should indent upon anybody else than an Indian. Then in regard to financial matters, we have already a very efficient department under my Honourable friend Sir Basil Blackett, and I believe it will be possible to indent upon the officers of the Finance Department if a new officer is required.

The third point is the general question of economy to which my friend Mr. Patel has referred. I think, Sir, that the establishment on the Railway Board is, in my opinion, somewhat extravagant. It is true that two new Railways are now coming under the control of the Government of India. Nevertheless, as has been pointed out by my friend, it has been stated that 60 per cent. of the references have been rendered unnecessary now in consequence of decentralisation to the Agents. The other day I raised a question as to the exact powers, financial and administrative,

[Diwan Bahadur M. Ramachandra Rao.]

of these Agents, and I have had no reply to that question. If, as a matter of fact, these Agents are exercising larger administrative and financial powers, I should think, as has been admitted, that 60 per cent. of the references have disappeared, and it seems to me, Sir, that there is no necessity for such a large establishment as you have. I am aware of the exact constitution of the Railway Board. Nevertheless, it seems to me that if, as a matter of fact, decentralisation has been effected, it seems to be absolutely unnecessary to maintain the very large establishment that you have on the Railway Board.

For these reasons, Sir, I suggest that the cut that I propose should be adopted. If the Honourable Member in charge of the Department or Mr. Hindley justifies these appointments, it is quite a different matter; we shall hear them and see whether their proposals are justified.

Mr. Jamnadas M. Mehta (Bombay Northern Division: Non-Muham-madan Rural): Sir, I think the House ought without any hesitation to carry this cut. The reasons are these. The Railway Board, of all bodies, should not have forgotten the repeated admonitions of the Acworth Committee and the Inchcape Committee, and I am surprised to find that in the very place where an example should have been set, the expenditure is continuously increasing. In limited companies the infuriated share-holders throw out the whole of their Directors' report to show their indignation; we could have done the same by throwing out the whole Demand for the Railway Board grant but that the House has not done and the next best thing is now to show our disapprobation by suggesting cuts. Here we find that the Railway Board's expenditure has been increasing beyond any reasonable limit. For instance, we find, Sir, that in 1923-24 the superior officers cost Rs. 1,59,000 voted and Rs. 4,13,000 non-voted or the total was Rs. 5,72,000. In the current year we find the budget estimates are Rs. 6,05,000 for superior officers and the revised estimates Rs. 6,40,000. Proceeding further we find in the Budget that the total expenditure on the salaries and allowances of superior officers is Rs. 7,30,000. So that in the course of two years we have gone from Rs. 5,72,000 to Rs. 7,30,000 in a department where, we are told, as Mr. Patel has pointed out, that on account of decentralisation, a very appreciable amount of reduction in work has been effected, and references to the extent of about 60 per cent. have been reduced. Well, if 60 per cent. of the references have been reduced, then that reduction ought to be reflected at least somewhere in the cost of the establishment. Instead of that being reflected, we find the less the work the more the cost, which is very unsatisfactory. From Rs. 5,72,000 on the salaries and allowances of superior officers the cost has risen to Rs. 7,30,000 on the same establishment in two years and that when the references at the headquarters have been reduced to the extent of 60 per cent. This is progress, as Mr. Baptista would say, in the direction of the tail. It is not a progress in the right direction. Therefore, Government must justify to us this mounting up of the expenditure to the extent of nearly 40 per cent. in the course of two years.

Sir, the Acworth Committee in its reorganization scheme for the Railway Board recommended that the total number of officers should be 12; they recommended that one Member of the Executive Council should be responsible for Transport, Posts and Telegraph, Railways and Ports and in fact for all communications; when all these functions were to be centred in one Member, then the superior staff recommended was only 12 officers. That

recommendation has been not carried out to the full and Posts and Telegraph and Inland Navigation are still separate establishments. Therefore, instead of the 12 superior officers recommended by the Acworth Committee, the total number of superior officers in this budget should have been less than 12. Instead we find that 29 superior officers carrying salaries from Rs. 550 to Rs. 6,000 are being provided for in this budget, an unheard-of extravagance which I think this House should not at all tolerate. Then, Sir, on page 5 of the Railway Report for 1923-24, we are told that the work of the Department is divided among the Chief Commissioner, the Financial Commissioner, and two members of the Board, on the basis of financial, technical and general. I should have thought, Sir, that on the Railways we employed only technical men, particular officers, but now we find there is a general member. What is this general member doing? There should be nobody in general there, but everybody in particular, because there must be some definite work for him—no general appointments. I see my friend Mr. Parsons there smiling because he has explained to me what the general member was for. But I was not satisfied. On the whole, I cannot see any reason for appointments beyond technical and financial. Nevertheless we have financial, technical and general. And under them there were four Directors; now we are to have five. The Railway Board, as recommended by the Acworth Committee, should, really speaking, consist of only two—the Chief Commissioner and the Financial Commissioner. The other two members are not mentioned in the Acworth Committee's report. Of course Government have reorganised the Board on a different basis from that recommended by the Acworth Committee, I admit. But still there it is that on the whole the Acworth Committee having recommended not more than 12 superior officers, here is a reorganised scheme by Government making provision for 29 superior officers and for no reason whatever. (Mr. T. C. Goswami: "How would you provide these people with jobs?") That, of course, is for Government to explain. But we should be on our guard when they provide for 29 superior officers, on salaries ranging from Rs. 550 to Rs. 6,000, when the Acworth Committee has only recommended 12, and that when there was to be one member for all communications.

Then, Sir, the other thing which perhaps is not very apposite here, is the question of Indianisation. But I am only fighting this question on the ground of cost. The other questions are there always. But this particular extravagance I am unable to understand or allow and the least that we could do therefore is that we should cut down as much as we can of the votable side as it is impossible to touch the items that are non-votable. It is one of the difficulties of dealing with a Budget like this that the people we want to get at we cannot get at. But still we can touch them, indirectly. It is clearly a case of extravagance that, even in spite of the recommendations of the Acworth Committee, which recommended 12 superior officers, the Board wants a provision for 29 officers without any explanation, and I hope the House will carry Mr. Patel's proposal.

Khan Bahadur Sartaraz Hussain Khan (Patna and Chota Nagpur divisions, Orissa: Muhammadan): Sir, I rise to support the motion made by my friend, Mr. Patel. As pointed out by Mr. Jamnadas Mehta, we protest against extravagance, and therefore our proposal is to reduce the demand by Rs. 77,000. There are two items under the heads "Deputy Directors and Assistant Directors" and the cost of this, as I have worked out, is

[Khan Bahadur Sarfaraz Hussain Khan.]

Rs. 1,16,000 in 1923-24. And in the Budget estimate for 1924-25 the same comes up to Rs. 1,48,000. Now, in the revised estimates for 1924-25 the same again goes higher up to Rs. 1,75,000. Now, again in the Budget for 1925-26 we have the sum of Rs. 2 lakhs. Besides, I do not find sufficient reason why the figures should have risen so steadily. The Government have now taken charge of one railway, namely, the East Indian, and will soon be taking charge of the Great Indian Peninsula, and they have also reorganised it, as far as I understand, on a divisional basis, and the policy of Government is also to decentralise. Hence, when they are decentralising as well as reorganising on a divisional basis, I do not see any reason why there should be so much increase in the pay of officials at headquarters. Then I also think that, if more Indians had been taken,—as has already been pointed out that there are capable Indians who are available—salaries would not have risen so much. I may also say one thing more as an instance and that is how salaries have been increased at the time of the reorganisation. Last year, the Budget showed one post of Registrar in the grade Rs. 800—1,000. This post I do not find shown in this year's Budget. It appears that it is only the change of the name and the increase of the pay. If this is correct, it is simply increasing the pay of the post by changing the name, and so, when you increase without any sufficient reason, there is every justification for us to move for a cut of Rs. 77,000 with the object of drawing the attention of the Government to the fact. With these remarks, I support the motion of Mr. Patel.

Lala Duni Chand (Ambala Division: Non-Muhammadian): Sir, I want to utilise this opportunity for a particular purpose which I think it is very necessary to place before this House. In so far as the grievances and the complaints of the travelling and the trading public against the Railway Administration are concerned, I charge the Railway Board with pursuing a policy of indifference, lukewarmness and condonation. I shall be personally happy if this policy of the Railway Board that has been followed for a long time is replaced by a policy of earnestness and determination to root out all the evils so far as the general public and the travelling public is concerned.

Mr. President: Order, order. The discussion on this motion for reduction is now confined to questions of pay of officers. We shall come to the discussion of grievances of passengers on a later motion for reduction.

Lala Duni Chand: Sir, so far as I understand my position, it will not be possible for me to move the motions that stand in my name. I can at once make myself clear on this point. My point is that I am not prepared to strengthen the position of the Railway Board in any way so long as Railway Board does not change its policy and therefore, so far as I see I am clearly in order in placing this aspect of the question before the House. I refuse to help the Railway Board in any way so long as the Railway Board does not adopt a different policy. Therefore I shall try to give prominence to a few grievances.

Mr. President: I must again remind the Honourable Member that these questions are not in order on the present motion. There will be other opportunities for ventilating these grievances on subsequent motions for

reduction. But at present the discussion is confined to the question of the pay of these officers.

Mr. G. G. Sim (Financial Commissioner: Railways): Sir, Mr. Ramachandra Rao has asked me for some details regarding the delegation of powers to Agents. Sir Campbell Rhodes only the other day expressed considerable scepticism as to whether there has been any delegation at all. The position as regards establishment matters, to which Mr. Jamnadas Mehta referred, is this, that we have given Agents full powers to appoint the subordinate staff subject to the maximum pay which the Railway Board have prescribed for particular posts. We have, for example, prescribed that not more than Rs. 600 may be paid to a station master or to the head of a workshop. Provided that the pay given by the Agent does not exceed the maximum fixed by the Railway Board an Agent is absolutely free to appoint the subordinate staff in such numbers and on such pay as he may consider necessary for the work. The Agent is of course limited by the budget provision. This delegation, as Mr. Jamnadas Mehta said, has resulted in a very considerable reduction of references on these questions to the Railway Board from Agents. He has asked why there has not been a corresponding reduction in the staff in the Establishment Branch of the Railway Board's office. The whole trouble regarding that particular branch of the Railway Board is that for the last three or four months they have been inundated with questions of detail regarding establishments. Only the other day Mr. Bipin Chandra Pal referred to the statistics which had been published by the Railway Board in regard to Indianisation and he wanted to know why the Government had prescribed a form of this sort and had apparently deliberately instigated racial discriminations. Now, Sir, this particular form was drawn up in consultation with Members of this House. The Railway Board had previously given, in reply to numerous questions, long statistics for each railway in India regarding almost every department. This list was drawn up in the fond hope that it would lead to a cessation of any further questions and that the material given in the return was sufficient to enable the House to deal with all questions regarding Indianisation. The statement shows, both as regards officers and as regards upper subordinates, the number of Europeans, Anglo-Indians, Moslems and non-Moslems in every department and for every railway in India. In spite of that, Sir, I have had to answer in the last few weeks masses of questions regarding the number of Anglo-Indians or Indians or Europeans, not under this broad classification, but as to what number have been appointed as Assistant Controllers of Stores, what number are employed as guards or drivers on particular trains, and several Members have carried this classification still further. I was asked only the other day to give a list of the number of Punjabis and Sindis in the workshops in Karachi and to explain how many of them were artisans and how many were labourers.

Khan Bahadur W. M. Hussanally: Because you would not employ indigenous labour.

Mr. G. G. Sim: I do not know what the Honourable Member's object may be, but we fondly hoped that this list would satisfy all his curiosity. Another Member asked me why we had not a certain number of Oriyas as clerks or as station masters on particular stations.

Pandit Shrinidhi Nairn (Meerut Division: Non-Mohammedan Rural): The safest thing is to employ all Europeans.

Mr. G. G. Sim: Then, Sir, another matter on which the Department is inundated with questions is regarding individual appointments, promotions and dismissals. I hoped the replies that I have been giving recently to such questions would tend to discourage a repetition of them, and I think it is the general sense of the House that the House should not interfere in matters of detail.

Khan Bahadur W. M. Hussanally: Only if the Railway Board were responsible to this House.

Mr. G. G. Sim: If the House is prepared to support the Government in this attempt, and if the reply that we have been giving lately to these questions continues to be given, then, Sir, I think we can look for a reduction in the staff employed in the Establishment Branch of the Railway Board's Office. But it must be clearly understood that if the reduction is made, replies will not be given those matters of detail.

The next question I was asked was as to what new posts were going to be created in the Railway Board. Honourable Members who have read the report of the Standing Finance Committee will have seen that the only new post which it is proposed to create is that of Director of Finance. At present there is no head of the office under the Financial Commissioner and it has been impossible recently to carry on the work without having an officer on special duty. Members of the Standing Finance Committee know how great the work will be for the next year or two in changing our system and in changing the whole form of our accounts. It is essential that the Financial Commissioner, like other Members of the Railway Board, should tour as extensively as possible and settle questions locally, and it is necessary that if he should do so, he should be able to have somebody at headquarters who can dispose of all minor financial questions. But, Sir, I explained clearly to the Finance Committee that that proposal had not yet been sanctioned and that no steps would be taken to create any such post until the Standing Finance Committee had been consulted and their opinion obtained.

Mr. N. M. Joshi (Nominated: Labour Interests): May I ask, Sir, whether the Railway Board have appointed a Medical Officer?

Mr. G. G. Sim: I think there are separate motions regarding that particular appointment. Now, Sir, the reason for the increases referred to by Mr. Patel, apart from the proposal to create this additional post, is simply this. Most of the posts under the Railway Board were created only last year. Most of the other increases are simply due to the fact that the expenditure of the current year only includes the pay of these Directors and Assistant Directors for a few months. Take, for example, the Finance Branch. The Finance Branch consists of a number of men who were previously employed in the Accountant-General's office and they have been transferred to the Railway Board's office. But they were transferred only with effect from the 1st of October last. In the Finance Branch of the Railway Board's office, they were transferred only from the 1st of October. Therefore, the provision on account of these men for next year must be double the expenditure of the current year. There is no proposal at present to increase the staff under the Railway Board in any way whatsoever, except as regards the particular post of Director of Finance and that post, as I have said, will not be created until the matter has been placed before the Standing Finance Committee. I hope, therefore, that Mr. Patel will agree to drop this proposal.

Khan Bahadur W. M. Hussanally: Will the Director of Finance be somebody over Mr. Sim or below him?

The Honourable Sir Charles Innes: Below him.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I wonder if you will mind my suggestion, that, as there are many amendments on the paper, it may perhaps lead to greater progress if the Honourable Member from the Government Benches rises to reply immediately after an amendment is moved. Then the House will be able to understand exactly what the position of Government on each question is. The reply from my friend Mr. Sim to the queries put by the various Members who have spoken before boils down, to my mind, to this, that, subject to the Assembly agreeing not to put too many questions, Government may agree to a reduction in the superior staff. I wonder if I have understood the Honourable Member aright.

Mr. G. G. Sim: Not to that particular cut. I said it should be possible to effect a reduction in the staff working in the establishment section of the Railway Board's office.

Sir Purshotamdas Thakurdas: We are discussing this particular amendment which amounts to some Rs. 77,000. The Honourable Member has suggested a certain reason which leads to more expenditure and I think it would help us if he could tell us what saving could be made on the condition he has named. Is it Rs. 10,000, or Rs. 20,000 or Rs. 30,000 that he expects to make a saving of?

Mr. G. G. Sim: It depends entirely upon the extent to which the curio- sity of this House is reduced. If I am asked to lay the proposals before the Standing Finance Committee I shall be prepared to do so.

Sir Purshotamdas Thakurdas: This House must decide this amendment before long this afternoon and I thought that the Honourable Member would give this House an approximate idea of the cut that he would be prepared to accept on behalf of the Railway Board on the understanding, if he liked it, that the Railway Board do not expect to have to answer too many questions of details specially when such details are available in printed reports. Any strict undertaking it would be impossible for this House either to give or even to be asked. I can understand your point where you print your detailed statistics in a report in ordinary course. But the Assembly Members would take time to get accustomed to those reports and a perusal of them. You have only lately started some of these reports and statistics and, there is nothing to be surprised at if Honour- able Members of this Assembly have up to this time put to you many more questions than they should have otherwise done. Later on, when they become accustomed to the new tables and statistics that you are printing, I take it that, unless the Assembly wished to annoy the Depart- ment, the number of questions would be less, and I think that on that basis one could safely expect a cut being agreed to by the Railway Board.

The next point that the Honourable Member, Mr. Sim, raised was re- garding the additional appointment which is neither made yet nor approved by Government but regarding which he said that he would take the Standing Finance Committee's consent before the appointment was made. It thus becomes a very simple question which can be solved now, namely, when the Standing Finance Committee agrees to that appointment, let the Railway

[Sir Purshotamdas Thakurdas.]

Department put in a supplementary grant. At the moment cut it out and consult the Standing Finance Committee. If they agree, and even if they do not agree but Government want it, you can come in with a supplementary grant and justify your case before this House. I therefore feel that some other Member on the Government side may tell us what saving Government could make on the expectation that no more detailed questions would be coming into the Railway Board because the replies would be available in some of the printed statistics and tables. As far as the appointment is concerned, when the Standing Finance Committee approves of the appointment, the Government can put in a supplementary grant. I think, therefore, that the amount should be reduced to a figure up to which the money is actually required to run the Railway Board as at present constituted.

Mr. C. D. M. Hindley (Chief Commissioner of Railways): Sir, the debate has got itself down rather to details of one particular provision in the Demand while a number of Members who have spoken have mentioned several aspects of the case. My Honourable friend, Mr. Sim, has explained the actual position regarding the additional appointment of Director of Finance. We have, however, been seriously attacked by Honourable Members who have spoken about extravagance. Several protests were raised against this "unheard-of extravagance". Now, Sir, I am really surprised to hear that this House considers that the Railway Board are guilty of an "unheard of extravagance". I would like the House to consider for a moment what has been done during the last year and the year before. Will Honourable Members in their minds compare the position of the railway finances two years ago and now? (*A Voice*: "What about the increase of pay?") Will Honourable Members have the goodness, perhaps after this debate is over, to apply themselves in their leisure to some of the things that we have written in the Administration Report on last year's working? I hope in the course of the next few months we shall be able to produce another volume showing what has been achieved during the current year. Will any Honourable Member here stand up and say that to have achieved the change in the railway finances that we have achieved during the last two years can be described as "unheard of extravagance"? Honourable Members will perhaps remember that it is not so very long ago that the Government of India were faced with a potential loss of Rs. 9½ crores in one year on their railway property. The House has seen what the railway property has produced or will produce in the current year, from a loss of something like 9½ crores to a profit of something like Rs. 10 crores. Now, Sir, we have been accused of having an extravagant staff to deal with a problem like that. Did Sir Purshotamdas Thakurdas believe in his mind, when he and his colleagues on the Aeworth Committee and he and his other colleagues on the Inchcape Committee set us this task of renovating the Railways, of bringing about solvency and reintroducing efficiency—did Sir Purshotamdas Thakurdas believe in his heart of hearts that we should be able to carry out that task with a reduced staff? Did not he and his colleagues fully anticipate that there would be of necessity an increase in the staff at headquarters? It is plainly stated in the report of the Aeworth Committee: "The recommendation is clear and distinct. From the summary I read paragraph 8:

"The Commission shall be empowered to recommend that the technical staff attached to the Commission shall be increased, especially on the traffic side."

They went on to recommend that the staff should be divided into six sections. Well, Sir, they recommended that the Railway Board should have under them six Directors. We have four. The Acworth Committee has specially refrained from making detailed recommendations regarding the lower supervising staff on the Railway Board. Nothing is said in their report about how those Directors were to carry on their work. But I am perfectly confident that, if they had had to take charge of the Railway Board themselves at that time they would have been faced with the necessity of having a junior technical staff as well as a senior technical staff. I do not think that the House has been sufficiently impressed with the magnitude of the operations which we control from the Railway Board. We get so used to talking about crores that Honourable Members are inclined to talk about lakhs as though they were pies, crores being rupees and lakhs being pies. Let us get away from that false sense of proportion which is apt to be induced by a study of the figures of our Budget. Will any one who is responsible for business management—and there are several Honourable Members in this House who know a great deal more about management of business concerns than I do—will any one of them tell me that a supervising staff, a head administration staff costing less than one-fourth of one per cent. of the total expenditure, is unheard of, extravagance? That is the position, Sir. Are we really, as Honourable Members who have spoken would have the House believe, running our heads into unheard of extravagance? I do not understand how any one can imagine that while we have been strenuously applying the principles of economy and urging on railway administrations to reduce their working expenses and to reduce their expenses generally (and we have succeeded in doing so), we ourselves have been running into extravagance at headquarters. The simple proposition is how could that improvement and that process be brought to effect from headquarters unless we had the necessary technical staff to deal with these large problems. This is not a matter of dealing with a number of daily references that come in from the railway administrations as if we were so many clerks sitting down and writing our letters in reply to the letters received and sticking up the envelopes and posting them and going away home. This is not a case where we have to deal with correspondence like clerks. We have to deal with very much larger problems. We have to devise new methods and use our constructive imagination to see how economical measures could be introduced. It is no good my writing letters to Agents and saying to them, "Economise, cut down your staff". The man would turn round and say, "How am I going to do that?" Another man will say "How am I going to cut down my staff?" We have to advise our Agents and railway administrations on large changes in policy and large changes in methods, so that these economies will result. The Administration Report is crammed with illustrations of what we have been doing in that direction. I need only mention things like standardisation, matters connected with workshop improvements, matters connected with the improvements in design of marshalling yards, a whole body of matters connected with the change that we have made in statistics. These may seem very simple matters to the Honourable Members of this House. Perhaps some Honourable Members may think that I am such a genius as to be able to sit down by myself and get out of my head schemes of improvement of this kind. Neither I nor any one of my colleagues can by himself attempt such a task. This is a matter of team work and co-ordinated and properly organised headquarters administration. We have to deal with matters of a great many

[Mr. C. D. M. Hindley.]

different kinds. Mr. Jamnadas Mehta has questioned the necessity of our having a member of the Board who has been described as General, looking after general matters. Now, there are many ways of dividing up work in an office like ours. The plan we have adopted is to place on one side purely technical matters relating to engineering and on the other side matters relating to traffic working and Establishments. These have been put together in a group which we have called "General." I do not see why Mr. Jamnadas Mehta should make any particular play on that word "General". It is not a general officer who is looking round for work. He has definitely assigned to him certain important portions of the Railway Board work. Then, Sir, we have four Directors. We ought to have five—one for looking after the financial side of the office. Four Directors roughly deal with the four main portions of our work. For instance, we have a Director of Civil Engineering. Will any one say that I can have a technical officer who can deal with both civil engineering and mechanical engineering? Does any one here know of such a gentleman who could attend to the large problems both of civil engineering and mechanical engineering which we have to deal with? There are technical gentlemen in this House who will understand what I mean when I say that a man who could perform the duties of the Director of Civil Engineering and Mechanical Engineering would be an unheard of genius.

Pandit Sham Lal Nehru: There is one in Ajmer.

Mr. C. D. M. Hindley: We have a Director of Traffic. The Acworth Committee recommended that we should have two. Somewhat against my better judgment, when I was revising this organisation, I economised to the extent of having one Director instead of two as recommended by the Acworth Committee. Is that unheard of extravagance? It has certain disabilities attached to it because traffic is now very distinctly divided into two main sections of work, operating and commercial. We have had for the sake of economy to combine those two sets of work in one officer and I have one Director of Traffic in the Railway Board. The other Director is the Director of Establishment. Mr. Sim has already given the House some indication of the extent of his work. And here I might mention that we have recently added to our responsibility enormously by taking over the management of one of the greatest, if not the largest, railway systems in India. In the course of a few months we have to take over another and I do not understand how the House will expect us to take over the management of two large railway systems of the size of those two without increasing our staff. I should have expected that it would have been necessary for us to increase our staff rather than reduce it. We hope to be able to carry on with our existing staff but it is a doubtful proposition and I am not prepared to say that it may be possible for all time. The addition to our work after taking over two large railways of that kind may not be necessarily in proportion to the size of the operations of those two railways but it must add to our work. We are taking the place to a certain extent of the Board of Directors of those railways. We have to deal with the Agent much in the same way as the Board dealt with him and it is inevitable that there should be some addition to our work. Now, Sir, the basis of the whole of our work during the transition period that we are going through is to decentralise as much as possible. The very fact that we have adopted this policy of decentralisation on the advice of the Acworth Committee and the Inchcape Committee has been used against

us in the course of this debate as an argument for reducing our staff. The difficulty that we have been in is that the very act of decentralisation means an immense amount of work in reorganisation and rearranging powers and rearranging work. Unless we have an organisation at headquarters which can efficiently watch the technical side and the financial side of railway work it is impossible for us to decentralise. We could go on in the old way of making the Agents refer to us everything and that will involve a very large body of clerks to deal with those references. What we hope to do when we get more accustomed to our work, when we have things running more smoothly, is to do much more of our work by local inspection and consultation with the Agents and with local authorities and the public. We have already made a beginning in that respect and members of the Railway Board have during the last year travelled extensively and visited practically every railway administration. We hope to be able to free our Directors also from their routine duties at headquarters, if Mr. Sim's advice to the House is accepted, and enable them to travel and to discuss with the Agents and their principal officers the details of the work they are carrying out. But, as I have said before, it is not possible for us to do without a minimum number of technical officers at headquarters, and I maintain that we have not got an extravagant number of officers at headquarters. Incidentally, Mr. Jamnadas Mehta made a misquotation in regard to the number of officers we have. The information I have before me is that the number of officers, including supervising officers, in the Railway Board is at present 23, and 7 of these gentlemen are Indians. That is the proportion we have reached at present.

Mr. Jamnadas M. Mehta: Look up the Demands for Grants, No. 29.

Mr. C. D. M. Hindley: All I have to say with regard to that proportion is that there is no other department at the headquarters of the Government which has the same proportions of Indians of the department. I think, Sir, that, if I have not established the case to the satisfaction of all Members, I have established it to the satisfaction of those Members who know and appreciate something of the work which the Railway Board has to do and which it looks forward to doing in spite of this morning's attempt to induce us to pack our bags.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, the Chief Commissioner has advised the non-official Members to read their papers during their leisure. I would advise my Honourable friend to read the Acworth Committee's Report once again. He seemed to make a great point of the fact that, while the Acworth Committee recommended the creation of six appointments of Directors, he did not propose to make more than five appointments. I should like to point out to my Honourable friend that the sixth appointment was intended to be of a Director of Ports, Inland Navigation and Road Transport, with which, I think he will agree with me, he has nothing to do. Sir, the Acworth Committee, as has been pointed out by my friend Mr. Jamnadas Mehta, recommended the creation of a portfolio of Communications which would include not only Railways, but also Posts and Telegraphs, Ports and Road Transport as well.

Now, Sir, coming to another small point, I find that in this demand provision is made for four appointments of Assistant Directors, and I think I am correct in saying that in 1923-24 there was only one Assistant Director in the Railway Board. I do not know whether my Honourable friend

[Mr. K. C. Neogy.]

would care to explain why it has been found necessary to increase the number by three. I have before me a chart which I think my Honourable friend will recognise as his own handiwork, and which I think was prepared by him just a year ago, and which contemplates only one "Assistant Director, Technical". My friend has referred to various considerations which ought to weigh with us in passing this Budget, and he has made a reference to the increasing work and the volume of work which is likely to be added by reason of the transfer of the East Indian Railway and the Great Indian Peninsula Railway to the State. Now, Sir, all these considerations I think were present last year, and if I am not wrong in assuming that these facts were before my Honourable friend last year, then may I ask why he provided for only one Assistant Director last year, and why he is asking us to appoint four this year? I am told that some of these Assistant Directors are Indians. I do not know whether some of these appointments were created and given to Indians in order that my Honourable friends might answer questions with regard to the Indianisation of the Railway Board with a little greater ease than at present. These are the points on which I would like to have some enlightenment.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, there are two points involved in this motion. The first is a charge of general extravagance with which I do not propose to deal. The Honourable the Chief Commissioner has dealt with it, and I do not propose to repeat any such charge; but the point which troubles me is this. The cut proposed by Mr. Patel is a sum of Rs. 77,000 and if my Honourable friend Mr. Ramachandra Rao's motion is taken as an amendment to it, it will be a sum of Rs. 50,000. Now I call it loose budgeting to go and provide for an appointment which is not yet sanctioned. One specific post is proposed to be created which will cost Rs. 36,000 or a little under that, and the paraphernalia proposed may cost Rs. 4,000 extra, so that that appointment alone takes away Rs. 40,000. And my Honourable friend Mr. Sim told us that there was a chance of a reduction in the establishment. I suppose he means in the inferior establishment, or the upper subordinates who are employed to find the material for answers to these questions, if the number of questions diminishes. I do expect the number of questions will diminish for much information is now supplied in the shape of these monthly reports which we are now getting. We get a lot of information in these monthly extracts which are circulated to us. I therefore do trust and fully trust that there will be a reduction of work in that branch. I should like to know what is the harm done to the Budget if really this cut is made. I want the Honourable Member to realise that we are really providing for expenditure for next year. Is this expenditure needed or is it merely a speculative addition which I submit this House ought not to encourage? I therefore do submit the Government should agree to a cut of at least Rs. 50,000 in this. It will not do any harm. What is the good of issuing an estimate when you are not going to spend it? If you will permit me, I will move Mr. Ramachandra Rao's motion as an amendment to Mr. Patel's motion to substitute Rs. 50,000 for Rs. 77,000.

The Honourable Sir Charles Innes: Sir, I just got up to answer a question put by Mr. Neogy. Mr. Neogy asked why it was that last year we provided for only one Assistant Director while this year we have provided for four. I think that Mr. Neogy was last year a member of the Standing Finance Committee. That is a point that I wish to bring to the notice of

this House, that these provisions, to which the House is now objecting as being so grossly extravagant, are proposals which have already received the approval of the Standing Finance Committee last year, and also the approval of this Assembly when they voted the Budget last year.

Mr. K. C. Neogy: I was not a Member of the Standing Finance Committee.

The Honourable Sir Charles Innes: We are not making provision for any more appointments, and the point which has puzzled Mr. Neogy about the number of Assistant Directors is merely accounted for by this fact. Formerly we had three Assistant Secretaries. We changed their names to Assistant Directors, and we asked for one more Assistant Director and got the sanction of the Standing Finance Committee to that appointment. I hope I have disabused Mr. Neogy of his misapprehension.

Then Mr. Rangachariar said it was loose budgeting for us to provide for the appointment of a Director of Finance before that appointment has been sanctioned. Now our Budget is just the best estimate that we can make of the expenditure which we are likely to incur in the coming year. The mere fact that we make budget provision for any particular post does not mean administrative sanction to that post, and that is why Mr. Sim has given a promise that this question of appointing a Director of Finance will be brought up before the Railway Finance Committee before the appointment is actually brought into existence.

There is another point I should like to bring out in this connection. The House is accusing us of gross extravagance. Here we are strengthening the finance branch of the office by a Director of Finance. The finance branch watches extravagance. We are merely carrying out a recommendation of the Acworth Committee. Is it wise for the House to cut out the provision for this purpose, especially when we have explained we are not going to bring the post into existence till we have discussed the whole matter with the Railway Finance Committee? I have pointed out that this provision for the Railway Board to which exception has been taken by Mr. Patel, has, except for this matter of the Director of Finance, been approved last year by your own elected Standing Finance Committee, and is a provision which was accepted by the House last year. There is little expenditure in the coming year because these new posts were only brought into existence at a late stage this year. There is no real increase of expenditure and I would just like to reinforce one more point since the point has already been made by Mr. Hindley. By this larger establishment, this larger technical staff which we have got on the Railway Board, we have been able in the past year to exercise the greatest possible economy. Every programme which comes up from an Agent now is examined with the utmost care. All indents for wagons, locomotives and everything else are examined by a technical officer. Just let me give one definite case. Only the other day we had an indent from a Railway Agent for a large number of locomotives. We were able through the technical branch of our office to show that instead of buying these new locomotives we were able to transfer to that railway the locomotives from what we considered to be excess stock on another railway. There was a clear saving of many lakhs of rupees there. We were able to do that by means of our new organisation and the new statistics that we keep up.

I do not admit there is extravagance in the Railway Board as at present constituted, but I do say this that we have not the slightest desire to

[Sir Charles Innes.]

have any greater establishment in the Railway Board than is necessary, and, if during the course of the coming year, whatever the cause may be, we find that our work is going down and that our staff is too big, you can take it from me we shall not hesitate for a moment to reduce that staff; but I hope the House will not make this cut because I do not think the House is really in a position to say that these posts are unnecessary. It will make no difference to the General Budget, this small cut of Rs. 77,000, and the whole difference in the position is that we on the railway side have just as much incentive to economy as the representatives of the tax-payer here, because any economy that we effect we get the benefit of it by getting more into our reserve. It seems to me that that makes the whole position different and you can rely on us to do everything possible in the direction of economy.

Mr. K. C. Neogy: Sir, on a point of personal explanation. I was not a member of the Standing Finance Committee last year and had nothing to do with the metamorphosis of Assistant Secretaries into Assistant Directors. The chart I was exhibiting to this House refers to the permanent new organisation of the Railway Board, and that provides only for one Assistant Director and one Assistant Secretary.

The Honourable Sir Charles Innes: I apologize. I was quoting from the memorandum presented to the Standing Finance Committee. I thought that the Honourable Member was a member.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadian Rural): Sir, only one word. I feel I can testify to the large amount of work that has been done by the Department in connection with this reorganisation—I have read carefully through the reports and admit that a large amount of work has been done. But what I want to point out is this. Since the Budget of 1923-24 which only put this at 10.52 lakhs, it has been 11.6 according to the Budget of this year, and it has risen to 12.16 lakhs in the revised Budget, which means about Rs. 60,000 extra. What is proposed to be done is to add to the expenditure by another Rs. 72,000. Now, what I submit is that within the last two years considerable work has been done and it will probably be found that the Board is overstaffed if it carries on its work in future in the way it has been doing up to now. It is not likely that it will have to check more estimates than it has done in the past two years. All this extra new work will disappear—these statistics, preparation of forms, etc., will become almost routine work hereafter; and the checking of new estimates, the control of new estimates and new ideas to be originated will be the portion of the work that will have to be done by this establishment which has already exhausted the doing of some portion of it, which will as I say become more or less routine work. My submission is that it is not proper to budget for more now. On the contrary, it will have to be cut down. Whatever was wanted was then and there done by the Department and the revised Budget shows that all that was needed has been done.

I will only add one more word. Mr. Hindley referred to standardisation and other questions. I know there is provision for all this under General Administration "Miscellaneous" where you have got Rs. 1,11,00,000 provided. All those questions are connected with that head. I therefore

[Mr. K. Rama Aiyangar.]

submit that, in spite of the extra work done, this is the time you ought to cry halt and not go further simply to do as usual with this Government and add to establishment.

Mr. President: The question is:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 77,000.”

Further amendment moved:

“To substitute Rs. 50,000 for Rs. 77,000.”

Diwan Bahadur T. Rangachariar: I will not press that.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President: The original question was:

“That a sum not exceeding Rs. 9,86,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of the ‘Railway Board’.”

Since which it has been moved:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 77,000.”

The question I have to put is that the Demand under the head “Railway Board” be reduced by Rs. 77,000.

The Assembly divided:

AYES—59.

Athyankar, Mr. M. V.
Acharya, Mr. M. K.
Ahmad Ali Khan, Mr.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Aney, Mr. M. S.
Belvi, Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Duni Chand, Lala
Dutt, Mr. Amar Nath.
Ghose, Mr. S. C.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Hussanally, Khan Bahadur W. M.
Iyengar, Mr. A. Rangaswami.
Jajodia, Baboo Runglal.
Jeelani, Haji S. A. K.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kekkar, Mr. N. C.
Kidwai, Shaikh. Mushir Hussain.
Lohokare, Dr. K. G.
Mehta, Mr. Jannadas M.
Misra, Pandit Chandra Dayal.

Misra, Pandit Harkaran Nath.
Murtaza, Sahib Bahadur, Maulvi
Sayad.
Mutalik, Sardar V. N.
Nambiyar, Mr. K. K.
Narain Dass, Mr.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Pal, Mr. Bipin Chandra.
Patel, Mr. V. J.
Piyare Lal, Lala.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur
M.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Roy, Mr. Bhabendra Chandra.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Kumar Ganganand.
Syamacharan, Mr.
Venkatapatiraju, Mr. B.
Vishindas, Mr. Harchandrai.
Yakub, Maulvi Muhammad.

NOES—41.

Abdul Mumin, Khan Bahadur
 Muhammad.
 Abdul Qaiyum, Nawab Sir Sahibzada.
 Abul Kasem, Maulvi.
 Aiyer, Sir P. S. Sivaswamy.
 Akram Hussain, Prince A. M. M.
 Ashworth, Mr. E. H.
 Badi-uz-Zaman, Maulvi.
 Bhoze, Mr. J. W.
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Calvert, Mr. H.
 Clow, Mr. A. G.
 Cocke, Mr. H. G.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Dalal, Sardar B. A.
 Fleming, Mr. E. G.
 Fraser, Sir Gordon.
 Graham, Mr. L.
 Hindley, Mr. C. D. M.
 Hudson, Mr. W. F.
 Innes, The Honourable Sir Charles.

Lindsay, Mr. Darcy.
 Makan, Mr. M. E.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable Sir
 Alexander.
 Muhammad Ismail, Khan Bahadur
 Saiyid.
 Naidu, Mr. M. C.
 Raj Narain, Rai Bahadur.
 Rhodes, Sir Campbell.
 Rushbrook-Williams, Prof. L. F.
 Sastri, Diwan Bahadur C. V.
 Visvanatha.
 Sim, Mr. G. G.
 Singh, Rai Bahadur S. N.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Webb, Mr. M.
 Willson, Mr. W. S. J.
 Wilson, Mr. R. A.

The motion was adopted.

Mr. President: Reduction No. 2, standing in Mr. Joshi's name does not arise on this—it arises on Demand No. 12 or on a later demand in any case; similarly Mr. Goswami's reduction No. 5 by Rs. 10,000 (Saloons for Officers) arises on a later demand.

Mr. T. C. Goswami: There is an item "Travelling Allowances" in this Demand. If you look at the Explanation (c) on page 1, there is an increased demand of Rs. 7,000 for travelling allowances. But if it is your wish that I should defer my remarks, I shall take another opportunity.

Mr. K. Rama Iyengar: May I point out that "saloons" come under the head "Carriage and Wagon Department".

Mr. President: I understood the Honourable Member to raise the point that he wishes the provision for saloons for officers to be reduced and he can raise that question when we come to the stage of the construction of rolling stock; otherwise it would be a question of putting it down under Travelling Allowances.

Mr. N. M. Joshi: May I ask, Sir, under which Demand my amendment comes?

Mr. President: If the Honourable Member studies the Demands, he will see.

Mr. N. M. Joshi: No statement of the officers is given and it is not possible for me to find it exactly.

Mr. President: If the Honourable Member himself acknowledges that the officer is not given, then he knows he is out of order. The Honourable Member will find it, I think, under No. 12—but I am not quite sure; no, it is No. 11.

I propose to take now, as suggested this morning, the amendment standing in the name of Mr. Devaki Prasad Sinha and those of the five

Members following, as they all relate to the question of the appointment of an Indian or other changes in the personnel of the Railway Board.

APPOINTMENT OF AN INDIAN ON THE RAILWAY BOARD.

Sardar V. N. Mutalik (Gujarat and Deccan Sardars and Inamdars: Landholders): Sir, the amendment which stands in my name is that the Demand under the head "Railway Board" be reduced by Rs. 100, and the reason which is stated there is the appointment of an Indian on the Railway Board.

Sir, when the elder brother goes away the younger brother becomes the heir and he becomes the pet child. Now, when the first motion that stood on the agenda to-day was lost, this, I hope, will be the pet child of the House. In fact the difference between the first motion and this motion is very little. On the first motion the Honourable Pandit wanted to pass a vote of censure on the general management of the Railway Board; this motion is intended only to point out one grievance, namely, with regard to the appointment of an Indian on the Railway Board. It may be pointed out that, when we passed the separation of the railway finances from the general finances, a promise was made of more Indianisation; and the Honourable Member in charge gave us an assurance that Indians would find an increasing place in the management of Railways and on the Board. What that course should be is my main question, whether we should wait for Indians to rise from the bottom to the top or whether we should import an Indian fresh from outside. Unless an Indian is imported fresh and we have one Indian to start with, I do not think we should be satisfied; nor do I suppose it was the intention of the House that we should wait till a competent Indian rose from the lower ranks to the highest ranks and becomes eligible in due course to be appointed to a place on the Board.

Khan Bahadur W. M. Hussanally: Imported from where?

Sardar V. N. Mutalik: My Honourable friend is very anxious to know from where an Indian is to come. Well, I do not want a man from England. There are already a sufficient number of men from England on the Railway Board, so I want a man from India. I want a competent man to be appointed on the Railway Board, though he may not happen to be in the railway service. I hope that answer will satisfy my Honourable friend.

Then, Sir, the Railway Board is entrusted with full powers. They have got a free hand, and the idea of giving a free hand to the Railway Board was really in the interests of the railway administration. Now the main question is, as the Railway Board has wide powers, why the House should not insist on having an Indian on the Board to express the Indian view. I do not want to go into details, but I want this question to be treated only on broad principles, namely, whether we should have the Indian voice on the Railway Board or not

Mr. Chaman Lal (West Punjab: Non-Muhammadan): On a point of order, Sir. May I know, Sir, is it a question of appointing a representative of the workers on the Railway Board or an Indian on the Railway Board?

Mr. President: The Honourable Member, I understand, is moving his amendment in respect of an Indian on the Railway Board. I pointed out that it might be convenient to take all the amendments which propose changes in the personnel of the Railway Board together, but as the Honourable Mr. Devaki Prasad Sinha in whose name the first amendment stands is not present, his amendment falls.

Sardar V. N. Mutalik: I can assure the Honourable Member that I should have no objection whatsoever to another representative of the workers being appointed on the Railway Board in addition to an Indian. The whole question, Sir, is whether Indians will have a voice or not in the management of the Railways. I trust that on this broad question the House will be unanimous. I am really sorry, Sir, that on the first motion this morning there was some sad scene which is not really quite in keeping with the dignity of this House, but I hope that the whole affair will be forgotten and that the Honourable Members on this side will join hands and pass this item in order to show their disapproval of the action of the Government in not appointing an Indian on the Railway Board.

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, the question that arises on this motion is as to how the Railway Board should be constituted so that a proper policy may be arrived at and carried on in this country. Sir, the question is not whether there should be one Indian on the Board, but the question really is whether there should be any non-Indian on the Board. Sir, in so far as the Railways which have to carry on their function in this country for the benefit of the people of this country, for the benefit of the trade and commerce of this country, are concerned, when the taxpayers' money of this country is involved in it, the question is who should have a strong hand in the management of this policy. If it is contended that the railway policy in this country is carried on not for the good of the people, not for the convenience of the people here, but for the sake of British interests, British manufacturers and British traders, then there is absolute justification that the entire Railway Board should consist of non-Indians and Europeans alone. Sir, if, on the other hand, you concede that in this country the policy must be so shaped as to bring about the convenience of Indian passengers, Indian traders and Indian merchants, then, Sir, the only logical conclusion that we can come to is to have the Board entirely constituted on Indian lines if possible, and to provide only for one non-Indian to represent the non-Indian interests in this country. That, Sir, ought to be the motion to be brought before this House, and it is a moderate motion which my Honourable friend Mr. Mutalik has made in asking for one Indian on the Board.

Sir, it seems to be pretty clear that in this country the railway policy is carried on in such a manner that the carrying of passengers is considered only as a subsidiary matter and the development of foreign trade as the principal matter, and that is why we find in this country commercial lines, strategic lines, luxury lines like the lines to Simla and the Nilgiris, but there is not a single line which suits the necessities of the people of this country. Sir, if you compare the statistics of passengers in this country with those in other countries, you will find that in a religious country like this, a larger number of passengers are going on pilgrimages, and if anything else you will find a large number going to law courts only to ruin themselves. This is the business for which most people are

travelling. Now, Sir, that accounts for the fact that, although there are 318 million people in this country, we have got only 37,000 and odd miles, whereas in other countries like England we have 50,000 miles of railway for 43 million people, 34,600 miles for 60 million people in Germany, and 262,000 miles of railway for 118 million of people in the United States of America. Out of the entire 660,000 miles of railways in the world, what is it that India commands? Not even one per cent. That is because the development of railway communications in this country has not been so carried on as to promote the trading and other mercantile interests of this country, but it has been carried on to serve the foreign traders and foreign imports and exports.

Sir, my Honourable young friend, Mr. Rushbrook Williams, has correctly stated in his Moral and Material Progress Report—I am sure he will not be offended if I call him “young” friend, because he has stated in his Report somewhere that comparing the average age of the Members of this Assembly with the average age of the Members of the last Assembly the average is a low age in this Assembly and I believe it is he who has largely contributed to that and not I, and therefore I call him my young friend,—he has stated in his Report referring to the attitude of the people in this country:

“It is quite permissible to maintain that the deep lying religious sentiment which causes the vast majority of Indians to regard their present lives as relatively unimportant in the great fabric of past and future embodies something far nobler and more enduring than the material and the highly individualised ideals of the western world.”

He puts down all our people as philosophical people, and therefore perhaps the Government need not, and certainly the railway authorities need not, minister to their material wants and it is enough if they minister only to their spiritual wants. But even that has not been done. What is it that you do to consult the convenience of the passengers who are of a philosophic or religious turn of mind? You have levied a pilgrim tax of one anna per head including children. This we have added

Mr. President: The Honourable Member cannot roam over the whole realm of railway administration on a reduction moved to draw attention to the need for an Indian Member on the Railway Board.

Mr. C. Duraiswami Aiyangar: The principal reason for which I touched this question was to show that if the Board were constituted of Indian Members, they would have consulted these matters more readily than a Board consisting purely of foreigners. That, Sir, was my justification for touching on that matter. Now, Sir, the Railway policy will also be regulated if Indian members are on the Board more to suit the means of the people here, which will necessarily lead to their reduction of fares. But again I am not going to touch on the actual details of the reduction of fares on this occasion and I hope I will be able to catch the eye of the Chair on another occasion; but if there is any anxiety on my part to express everything now alone it is only for fear that I may not be able to catch the eye of the Chair on all occasions.

Now, Sir, with regard to the policy of the Railway Companies—I do not wish to go into details, as I have already assured you—one thing which the Railway Board is observing is racial distinctions, and that is consequent upon the fact that there is no Indian on the Board and that leads to the fact that not only in the services but in almost every department of Railways we find racial distinction is made. In the services it is largely made to the prejudice of my countrymen and the

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other day Mr. Neogy pointed out the distinction made in the reservation of compartments, and you find even on the station platforms boards bearing "native men" and "European gentlemen", "native women" and "European ladies". Sir, I believe that a strong Indian element in the Railway Board will not countenance differences like this being made. Sir, in the matter of the promotion of commerce also, you will observe a different policy if the Railway Board is manned by Indians. What is the kind of trade help which you are now getting? Coal which can be carried from Bengal to Bombay cannot compete with coal which is brought from South Africa to Bombay. Salt which is transported by railways in India cannot compete with ballast salt which is brought from abroad, from Liverpool and other places. How is it? Because you do not in any way give concessions either in freight or any other kind of concessions to the transport of Indian goods. These, Sir, are things which an Indian Board will certainly take into consideration and I do not therefore go into other details on this occasion but I support heartily my friend Mr. Mutalik's motion with this reservation that if possible I would like to have a Railway Board with one non-Indian and the rest Indians.

Mr. Jamnadas M. Mehta: Sir, on page 5 of the Indian Railways Administration Report for 1923-24, Vol. I, we are given an idea of the responsibilities of the Government of India with regard to the Railways. The report says

"The size of the work and responsibility which falls on the department is indicated by the various functions which Government has to fulfil in regard to railways in India as the direct owner of the large majority of mileage, the controlling authority of three large systems aggregating over 9,000 miles, the predominant partner in the Companies which manage the remainder of the trunk system and the guarantor of many of the smaller companies besides being the statutory authority over all railways in regard to public safety, services to the public and many other matters."

In such an important undertaking for 300 millions of people, not one Indian is associated and that too after Railways have been in existence since 1848 or even earlier. Sir, this Railway Board has developed from very small and modest beginnings. Government began to control the railways through a consulting engineer of guaranteed railways and then they went on changing the form of this control time after time; and I find from this Report, Appendix B of the Report, Vol. I, that this controlling authority was changed nearly fourteen or fifteen times until it has now become embodied in this Railway Commission. But during all these various transmigrations of this particular functionary no Indian has ever figured and it does not appear that he is likely to figure very soon. Can Government point out why it is so? Did it ever enter their minds that this was absolutely necessary; that responsible as Government were for the management of so much mileage, of communications and transport, that the people of the country should have at least one of two people on that Board? But unfortunately, as it appears, Government have never given any thought to that matter and the stock argument has always been that no fit Indian could be found. To this, Sir, Pandit Motilal Nehru has this morning given an answer and he even went to the length of naming some individuals who could very well be appointed to the Railway Board if Government ever were willing to do so. (Mr. W. M. Husseyally: "He only named one.") Yes, but he indicated others. Many more could be named but it is invidious to name them and it is therefore

that I am not naming them, but if Government will cast their eyes about all over the country they will find not only one but I am sure a hundred people who could be recognised as very fit and proper persons for being Members of the Railway Board. (*An Honourable Member: "Agents of Railways"?*) Pandit Motilal pointed out that the Financial Commissioner need not be a railway man. I do not indicate thereby that I have the slightest intention that Mr. Sim should be displaced because I value his services very much, but all I do is to lay down a principle, that Government could have appointed not one Indian but two Indians if they wanted to. That is our greatest complaint that at the head and source of Railway control there is no Indian to represent the Indian point of view. Even the Executive Council has got three Indians, good, bad or indifferent—it does not matter. But this Railway Board seems to be more sacrosanct than even the Executive Council. It seems to me that Government seem conscious that in the Executive Council things can be managed even if there is an Indian, but in the Railway Board, if an Indian got in, it would be difficult to control him in the manner they liked. That is the only implication or suggestion that one can read into their failure so far to appoint an Indian. Sir, I am very serious in pressing this amendment that in spite of these fourteen trans-migrations of the controlling authority, we have not been able to find a suitable Indian is a serious thing. Then turning to page 46 of the Acworth Committee's Report, I find that complaint was voiced in strong terms on page 46, paragraph 139. After stating their view that:

"So far we have dealt with the working of the administrative machinery. But this machine is at the present moment, and must, as we have said, continue to be for some years to come, worked mainly by non-Indian officers."

the Committee go on:

"Witness after witness representing Indian opinion has complained that the Indians have no voice in the management of their own railways. We think that no scheme of reform can attain its purpose of fitting the railways to the needs of the Indian public unless that public has an adequate voice in the matter."

Of course, this refers to all kinds of adequate representation, namely, through this Assembly, through the Standing Finance Committee, through the Railway Board, through the Advisory Committees. Everywhere, wherever the railway administration is concerned, Indian views and Indian sentiments and Indian interests must be frankly and adequately represented. That consummation I do not see even in the distant future because Sir Charles Innes in the last September session said that he did not see any Indian fit for the job. Further, Sir, this very humble amendment for a cut of Rs. 100 is not intended as a cut at all and it is merely to draw attention and, if passed, it would amount to a vote of censure. But, Sir, it is not going to teach anybody the much-needed lesson that the Indian must be recognised in a matter of such vital importance to his own country. But there is no other alternative now as the total omission cut has been defeated and as the House has ruled that we must be satisfied with smaller cuts. Therefore, I think the House will unanimously vote in favour of this modest proposition.

The Honourable Sir Charles Innes: Sir, with regard to what the Honourable Member has just said, I should like to say that the Assembly from our point of view has never shown that it is more dangerous than when it is reasonable; and, when it moves a reduction of Rs. 100 in order to make

[Sir Charles Innes.]

a representation to Government on any particular point, we on the Government side attach just as much importance and respect to that recommendation as we should have done had the House cut out the whole of the Railway Board Budget this morning. (*The Honourable Sir Basil Blackett*: "More".) In fact, more, as the Honourable Sir Basil Blackett says. But I am sorry, Sir, this is a matter on which I must remain, I am afraid, at variance with the House. Mr. Patel this morning said that it was a definite part of the convention that there should be an Indian upon the Railway Board. I do not think that the Honourable Member ought to make that statement, for, Mr. Patel must know, or at any rate his memory must be short, that we discussed this particular point at great length when we discussed the separation in September. What I said was this. I said it in the hearing of the whole House.

"As regards the members of the Railway Board, I cannot bind myself to dates as it must take time before there are Indians of the requisite standing and experience in the Railway Department for appointments to the Railway Board. But as I pointed out the other day, the Railway Board is a technical body and does not control policy."

Mr. V. J. Patel: You allowed the Resolution to be passed unanimously. You did not oppose it. You did not challenge a division.

The Honourable Sir Charles Innes: In the convention there is no reference whatsoever to the question of Indians on the Railway Board.

Mr. V. J. Patel: But there is in the Resolution reference to members of the Railway Board also.

The Honourable Sir Charles Innes: What I said, Sir, was exactly the same as what the Acworth Committee said. I am obliged to Mr. Jamnadas Mehta for reading out the very passage which supports my point.

"The machine must, as we have said, continue to be for some years to come worked mainly by non-Indian officers."

(*Mr. Jamnadas M. Mehta*: "Please read on".) And then they went on to say that it was important to bring Indian public opinion to bear upon railway administration, and that is what we have been doing. Have we not got these Advisory Councils? Has not the recommendation of the Acworth Committee been carried out by us? Have we not got the Central Advisory Council? Is there not this Legislature and is not Indian public opinion in all these ways being brought to bear upon the railway administration? The whole difficulty is this. The constitution of our Railway Board is a technical Board. It is a technical Board composed, with the exception of the Financial Commissioner, entirely of technical men. It is no use mentioning to me a distinguished Indian who may have engineering experience, but no experience at all in the technical railway work.

Mr. A. Rangaswami Iyengar: With financial experience?

The Honourable Sir Charles Innes: It is no use mentioning men of that kind to me. We hold that for the Railway Board, as at present constituted, he must have an intimate acquaintance with railway work. As regards the Financial Commissioner, that is quite a different matter. Our principle in making the appointment of Financial Commissioner was to get the very best man we could. The officer whom we have recommended

by Lord Inchcape himself and I daresay that everybody in this House will agree with me that though he may have the misfortune of not being an Indian, at any rate he has the good fortune to be a real financial genius. I myself have thought about this matter quite a lot since the September session and one suggestion which I have had in my own mind is whether we could not attach one other man to the Railway Board, add to the strength of the Railway Board by one in order to provide for an Indian. I may say that as far as I am concerned, we would gladly pay Rs. 50,000 a year in order to avoid at any rate being harried upon this question in this Assembly. But, Sir, I am afraid that on principle I do not think we ought to adopt that expedient. It has been considered on more than one occasion. In fact, this suggestion was made to the Acworth Committee and the Acworth Committee did not recommend it to the Government of India. The difficulty is this. If we take on an extraneous man, an Indian or a commercial man, and put him in the Railway Board, we could not find work for him. Each member of the Railway Board has got his definite sphere of work. Mr. Sim deals with finance, Mr. Sheridan with traffic questions, Mr. Hadpaw with engineering and Mr. Hindley is the Chief Commissioner and head of them all. There is no definite sphere of work for an outsider who has got no railway experience. What will he do? If his business is to find files in which some question comes up about Indians, that would not do. I am perfectly certain that it would not add to what we look to most in the Railway Board, namely, efficiency and good management of railways. I have thought of this matter very deeply,—because I know it is one on which the House feels deeply—and I am afraid, Sir, that there is no solution but that of time. You have got to begin at the bottom in this matter. It may be that we were most slow in Indianising in the past. But you cannot hold that charge up against us now. In the last 3 years we have, I think I am correct in saying, filled 50 per cent. of the vacancies in State Railways with Indians. We have agreed to take 75 per cent. in the future, so that, in 15 or 20 years' time your Railways will practically be Indianised throughout. Mr. Jinnah the other day in talking about Indianisation of the Army, said he did not ask for it to-day or to-morrow or the next week or in 10 years. All he wanted was that we were working on a definite policy of Indianising the army. Sir, I wish to point out to the House that we are working on that definite policy in regard to Railways. You have got no complaint against us on that score. All I can say at present is that this matter of an Indian on the Railway Board is a matter which time alone can solve, and I must ask the House to have patience.

Diwan Bahadur M. Ramachandra Rao: *Sir, the reply of Sir Charles Innes to this motion is very unsatisfactory. I wish to bring to the notice of Honourable Members that in September last, when this convention was entered into, I moved an amendment in the following terms:

"Apart from the above convention this Assembly further recommends: that the railway services should be rapidly Indianised, and further that Indians should be appointed as members of the Railway Board as early as possible."

So far as the House was concerned, at that time this Resolution was carried unanimously and even before this amendment was carried in the House, this matter of Indianisation of the railway services and the appointment of Indians on the Railway Board had formed the subject of very

* Not corrected by the Honourable Member.

[Diwan Bahadur M. Ramachandra Rao.]

acute controversy and negotiation between the Honourable Member and several of us outside the House. Therefore, Sir, this question of Indianisation and of having one Indian at least in the controlling organ of railway administration was one on which, as my Honourable friend will see, we were very keen. A few days ago, in presenting the Railway Budget, the Honourable Member adverted to this question and spoke as follows:

"Honourable Members are apt to complain that few Indians have risen to high posts in the Railways and none to the Railway Board. That is true. But they must remember that it is only in recent years that Indians have joined the Gazetted ranks of railway offices in any number, and time must be allowed for them to find their way to the top."

In giving his answer to this motion to-day the Honourable Member has more or less repeated the same sentiments, namely, that Indians should rise in the ordinary manner before they could reach to the top, that they must enter one of the railway services, either the Engineering or the Traffic or the other branches either in State Railways or in Company-managed lines and that in that manner they must find their way into the Railway Board. I do not know, Sir, the exact field of recruitment for the Railway Board, but I imagine that it is mainly from the Agents of Railways and also from the senior Engineering officers of the State establishments. Sir, I have before me the classified list of these officers and it is undoubtedly true that there is absolutely no Indian at present on this list who could be promoted to this office. If my Honourable friend's argument is to be logically carried out, there could be none, I expect, for the next 35 years. (The Honourable Sir Charles Innes: "No.") 30 years? 25 years? 20 years? When will you be in a position to appoint either a Financial Commissioner or a member who will look after the mechanical engineering and civil engineering branch of the Railway Board's work?

The Honourable Sir Charles Innes: The Financial Commissioner is not necessarily a technical railway man.

Diwan Bahadur M. Ramachandra Rao: I therefore think that if we were to accept the argument of my Honourable friend and its logical implications it would come to this. Unless you have a man in the Traffic Department and he rises to the position to which he could be appointed in the Railway Board he cannot think of appointing any Indian to that office. Similarly, in the engineering side unless you have an Indian officer who would rise to the position of a Chief Engineer he would not think of appointing an Indian to the Railway Board. The same is the case with regard to the other technical branches of the Railway Board. In regard to the Financial Commissionership, Honourable Members, know Mr. Sim very well. I have as much admiration for his ability and capacity for work as my Honourable friend has. But after all, he is a member of the Indian Civil Service. I know that members of that Service have a habit of moving from one superior post to another and I do expect to see Mr. Sim not necessarily in the very near future moved on to another post and probably to a higher post. In these circumstances the only way in which you could train an Indian to fit himself to discharge the functions of the Financial Commissioner is immediately to appoint an officer to work along with Mr. Sim and when the time comes for Mr. Sim to move on to a higher post, for that officer to take up that position and be appointed as the Financial Commissioner. So far as the financial administration is concerned, we

have a very large number of Indians in the Finance Department and without mentioning any name I am perfectly certain that Sir Basil Blackett can find a man who will certainly fulfil all the requirements of the office of Financial Commissioner. Therefore, so far as the question of the Financial Commissionership is concerned, I do not find the slightest justification for taking up the attitude which Sir Charles Innes has taken up to-day. If you immediately appoint an officer, he can certainly undergo a probation under Mr. Sim for some time and when Mr. Sim moves on to another post he can certainly be appointed as Financial Commissioner. Of course, I do not know that the Government, in proposing the new appointment of Director of Finance, had any of these considerations in view but I do not wish to press my Honourable friend Sir Charles Innes to say what he intends to do in regard to this new appointment of Director of Finance. If Sir Charles Innes takes the line that I have suggested, there will be no difficulty in satisfying the almost unanimous wish of this House that an Indian should be appointed on the Railway Board. We are asking for this appointment for various reasons. One is the natural desire of Indians to occupy the most responsible posts in the railway administration. Another is that they want to shoulder the responsibility of this high administrative post. The Honourable Sir Charles Innes the other day talked with very considerable pride of his habit of shouldering responsibility. Does he not expect any of my countrymen to occupy an exactly similar place and be accustomed to shoulder responsibility? I must say that the reply which I have heard from Sir Charles Innes is very disappointing. It does not show that sympathy which I expected from him for our ideas in this matter. In these circumstances, Sir, it seems to me that we must press the motion to a division.

The Honourable Sir Basil Blackett (Finance Member): Sir, I hope that the House will think again about making this cut. In the course of this afternoon the House has made one cut the effect of which, if carried out, is to turn out two Indians from the Finance Branch of the Railways, and I think three Indians altogether. They have also declined to agree to the proposal to appoint a Director of Finance. The result of such action cannot be to hasten Indianisation. When the House are considering this new cut, I think they should not go away with the impression that Sir Charles Innes's last statement on the subject was so unsympathetic as Diwan Bahadur Ramachandra Rao seems to have thought. Sir Charles Innes was speaking of the difficulty of early action in regard to the addition of a technical railway man who is an Indian until such time as one had grown up in course of training. There are obvious difficulties, and the time, though it may be short as compared with the history of India, is long as compared with the history of this House. But as regards the special post of Financial Commissioner what Mr. Ramachandra Rao said just now is clearly quite reasonable. There is every prospect I hope that we shall enjoy the services of Mr. Sim as Financial Commissioner on the Railway Board for some time to come and I for one should be extremely regretful if I have to lose that particular watchdog of the Finance Department in the Railway Department. But we are all ephemeral and it is possible no doubt that even Mr. Sim's period as Financial Commissioner may come to an end. Then undoubtedly an opportunity will arise for considering very seriously the possibility of obtaining an Indian as a member of the Railway Board as the Financial Commissioner. Whether when the time comes the most suitable candidate will be an Indian or will not be an Indian is a matter on which it is quite impossible to prophesy, but I

[Sir Basil Blackett.]

would venture to say this that the scales would be weighted quite definitely in favour of the Indian candidate when the time comes. The action of the House in dealing with these demands for grants is one to which I think very great attention should be paid by the House. Diwan Bahadur Rangachariar, speaking the other day on a Bill of Mr. Patel, said that we are not considering a mere Resolution but that we are considering legislation and so we have to consider the consequences of our action. You are now considering the amount that is to be voted to carry on the railway services in the course of the year and the consequences of your action have to be considered very carefully. If you make a cut of a substantial amount as was made just now, you do not assist the process, with which I for one heartily agree, as described by Mr. Pal, of hastening the day when certification and restoration become so rare as to be regarded as really unconstitutional. That is the position we want to arrive at. Here the House has the opportunity of sharing a responsibility with Government in the management of our finances and in the expenditure of the country. If the House will think twice before it makes a cut, it must first consider whether it is a case where, whatever good reasons we may think we have for our grievances against Government, if we make this cut, restoration is inevitable. (*A Voice*: "Cut of Rs. 100?") I think the House should satisfy itself with making a demonstration and then withdrawing the motion. In the same way with the Rs. 100 cut. The Rs. 100 cut is meant to draw attention to certain grievances. An opportunity has been taken to draw attention to those grievances and if the House is satisfied, as I think it ought to be, that we are serious in this matter of Indianising and introducing an Indian into the Railway Board at the earliest possible moment, then, I think the House might consistently with its dignity and with great advantage to its system of control over the finances of the country withdraw the motion and let us go on to another subject.

Khan Bahadur W. M. Hussanally: May I inquire if this amendment is carried whether it will not speed up the transfer of Mr. Sim to the Law Membership about to become vacant and make room for one of his subordinates, say, for instance, Mr. Aiyar of the Currency Department?

The Honourable Sir Basil Blackett: I hope it will not hasten Mr. Sim's retirement, but if it does, it will be a very strong argument against the House carrying the present motion.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): I wish to support the appeal made by the Honourable the Finance Member that these 100-rupee cuts should not be passed by this House lightly but I also wish to point out to him that in the course of the debate this afternoon this is the first time that we have heard any sympathetic speech from the Government Benches and that any Member from those Benches has tried to enter into the spirit of the attitude taken up by Members on this side of the House and has tried to reason with us. The Honourable the Finance Member reminded us that the result of the voting on the previous amendment, namely, the Rs. 77,000 cut, would be that the posts of two Indians would be scrapped. Every one of us here wants Indianisation but we certainly want less expenditure even though it may mean a sacrifice of Indian staff. In fact if you save Rs. 77,000 and not appoint Indians, I take it that I am voicing the feelings of this House when I say that we would like the saving. Therefore, there is nothing in that

argument and I hope that it will not be used. If the question is put, why was that cut insisted upon by this House with the solid majority of 59 against 41, the reply to my mind is simple and I would like to put before the Treasury Benches my view as to why the voting went as it did. The Honourable the Financial Commissioner (Mr. Sim) in his speech indicated that one appointment was not made and that regarding the other certain economies were likely. As an offer was made from this side by several Members, Government could have brought in their demand for this appointment later on as a supplementary demand and told us what amount they expected to be able to cut now. The Honourable the Chief Commissioner got up and preached a sermon as to what an important machine Railways are and how lightly, in his opinion, this House views the responsibilities and the great burdens of the offices carried by members of the Railway Board. I felt at that stage that we might have been spared all that. We were making a definite cut.

Mr. President: We are talking of a different cut now.

Sir Purshotamdas Thakurdas: I therefore feel, Sir, that if the Government Benches really want as few cuts of Rs. 100 as possible, which I understand are looked upon as votes of censure by the Government, they ought to make every genuine effort not only to take this House into their confidence but also to go further and meet their views as far as possible, and I submit that they could have done it on the last amendment.

Mr. M. A. Jinnah (Bombay City: Muhannmadan Urban): *When I listened to the speech of my friend Sir Charles Innes I must say I was disappointed. I had something to do with the convention in the Resolution that was passed and I think Sir Charles Innes remembers perfectly well what that Resolution was, as it was amended, and the Government did not oppose the amendment which was moved on our side. That amendment was as follows:

“That the railway service should be rapidly Indianised and further that Indians should be appointed as members of the Railway Board as early as possible.”

Now, Sir, I recognise that even a cut of Rs. 100 or a motion to reduce the grant by Rs. 100 is a very serious matter. In one way I consider it is far more serious because it amounts directly to a vote of censure on the Government and if the Government were not irremovable, as is the case with the Treasury Benches, probably the Government might be defeated and they might for their own self-respect resign and dissolve this House, so that somebody else might take their places. I want the Members of the Treasury Benches to understand this that we fully recognise the gravity of this vote. It is a vote of censure. On the other hand, if a substantial cut is made, it may be that we do not agree with your estimates. It may be an over-estimate. Therefore I say that this is a much graver matter than the other one but it is not a case of restoring it. I do want Sir Charles Innes to make it once more clear to this House that you are going to appoint an Indian to the Railway Board as soon as possible, not merely in words but in real intentions and that you will assure this House that you will not allow any opportunity to pass, if you get one, of appointing an Indian when there is the next vacancy. I must get that assurance in view of the fact that, when we moved this amendment, you did not oppose it, and Sir Charles Innes will bear me out when I say that it was

* Not corrected by the Honourable Member.

[Mr. M. A. Jinnah.]

from our point of view a very important part of the convention and the convention was accepted by us on the understanding that the Government would not oppose this amendment of ours. To-day what do we find? We find that that date is slipping away, getting as distant as it ever was before. Now I expect a different answer, and I do appeal to Sir Charles Innes to assure this House without any ambiguity that it is the intention of the Honourable Member that he will carry it out without any delay.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban): In view of the last two speeches it is necessary that I should make the position of my party perfectly clear. Unfortunately for us official frowns and official smiles have absolutely no effect upon us. There is no doubt that my Honourable friend Sir Purshotamdas has been considerably affected by what he called the sympathetic speech of my friend Sir Basil Blackett. But there is some doubt in the mind of my Honourable friend Mr. Jinnah and he wants it to be removed by a further assurance in the specific terms which he has stated from my Honourable friend Sir Charles Innes. I may say once for all that neither the statement of my Honourable friend Sir Basil Blackett nor any statement that may be made by Sir Charles Innes will change our attitude in the least degree on this motion. It is a motion for a mild censure and as the bigger motion for severer censure has failed because we were in a minority we shall again risk a defeat but will not give our assent to the withdrawal of this motion.

The Honourable Sir Charles Innes: I just wish to say one word in reply to what Mr. Jinnah said. Mr. Jinnah has asked me to give a definite assurance to the House that every effort will be made to appoint an Indian to the Railway Board.

Sir Hari Singh Gour: To the next vacancy.

The Honourable Sir Charles Innes: To the next vacancy in the Railway Board. I think Mr. Jinnah will bear me out that in the first place what I might call the annexe to the convention is no part of the convention, and in the second place that I made the position of the Government perfectly clear in that matter that in regard to the technical members of the Railway Board I said I could not bind myself to dates and I am afraid I must adhere to that position. I definitely did not refer myself to the Financial Commissioner for Railways because I regard that appointment as one which should be made by the Honourable the Finance Member. I make the recommendation myself to the Viceroy, but I always do so on the recommendation of the Honourable the Finance Member, and that is why I left the Honourable the Finance Member to deal with the question of the Financial Commissioner, and it seems to me the Honourable the Finance Member has gone just as far as any officer of Government could possibly have done. He told you that he hopes, and I hope, that Mr. Sim will remain Financial Commissioner for Railways as long as he can, but when the vacancy does come, he has given an assurance to this House that the claims of an Indian to that post will be considered, and I must ask the House to be content with that assurance.

Mr. President: The original question was:

"That a reduced sum not exceeding Rs. 9,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1926, in respect of the Railway Board."

Since which an amendment has been moved:

“That the demand under the head ‘Railway Board’ be reduced by Rs. 100.”

The question is that that amendment be made.

The Assembly divided:

AYES—58.

Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Alimuzzaman Chowdhry, Mr.
Aney, Mr. M. S.
Belvi, Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Gour, Sir Hari Singh.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lal.
Hari Prasad Lal, Rai.
Hussanally, Khan Bahadur W. M.
Ismail Khan, Mr.
Iyengar, Mr. A. Rangaswami.
Jajodia, Baboo Runglal.
Jeelani, Haji S. A. K.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kelkar, Mr. N. C.
Kidwai, Shaikh Mushir Hosain.

Lohokare, Dr. K. G.
Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.
Murtoza Sahib Bahadur, Maulvi
Sayad.
Mutalik, Sardar V. N.
Narain Dass, Mr.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Pal, Mr. Bipin Chandra.
Patel, Mr. V. J.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Samiullah Khan, Mr. M.
Sarda, Rai Sahib M. Harbilas.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Kumar Ganganand.
Syamacharan, Mr.
Venkatapatiraju, Mr. B.
Vishindas, Mr. Harchandrai.

NOES—40.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Fleming, Mr. E. G.
Fraser, Sir Gordon.
Graham, Mr. L.
Hindley, Mr. C. D. M.
Hira Singh, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Innes, The Honourable Sir Charles.
Lindsay, Mr. Darcy.

McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra
Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Naidu, Mr. M. C.
Raj Narain, Rai Bahadur.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Sim, Mr. G. G.
Singh, Rai Bahadur S. N.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 26th February, 1925.

LEGISLATIVE ASSEMBLY.

Thursday, 26th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock,
Mr. President in the Chair.

ELECTIONS TO PANELS OF STANDING COMMITTEES.

HOME DEPARTMENT.

Mr. President: I have to announce that the following Members have been elected to the Panel of the Standing Committee in the Home Department:

Mr. K. Ahmed.
Sir Henry Stanyon.
Colonel J. D. Crawford.
Mr. M. A. Jinnah
Diwan Bahadur T. Rangachariar.
Sardar V. N. Mutalik.
Mr. C. S. Ranga Iyer
Mr. A. Rangaswami Iyengar, and
Mr. M. C. Naidu.

DEPARTMENT OF COMMERCE.

Further, that the following Members have been elected to the Panel of the Standing Committee in the Department of Commerce:

Sir Purshotamdas Thakurdas.
Mr. Devaki Prasad Sinha.
Mr. W. S. J. Willson.
Diwan Bahadur M. Ramachandra Rao.
Mr. H. G. Cocke.
Mr. B. Das.
Mr. S. C. Ghose.
Seth Kasturbhai Lalbhai, and
Khan Bahadur M. Shams-uz-Zoha.

[Mr. President.]

EMIGRATION.

And further that the following Members have been elected to the Panel of the Standing Committee on Emigration:

Nawab Sir Sahibzada Abdul Qaiyum.

Mr. B. Venkatapatiraju

Mr. E. G. Fleming.

Mr. N. M. Joshi.

Captain Ajab Khan.

Mr. W. S. J. Willson

Sir Purshotamdas Thakurdas.

Mr. K. C. Neogy.

Diwan Bahadur M. Ramachandra Rao

Maulvi Muhammad Yakub.

Diwan Bahadur T. Rangachariar.

Maulvi Abul Kasem.

Sir Hari Singh Gour.

Mr. S. C. Ghose.

Khan Bahadur Saiyid Muhammad Ismail, and

Mr. M. I. Makan.

DEPARTMENT OF INDUSTRIES AND LABOUR.

And further that the following Members have been elected to the Panel of the Standing Committee in the Department of Industries and Labour.

Mr. Chaman Lall.

Mr. N. M. Joshi.

Mr. W. S. J. Willson.

Mr. E. F. Sykes.

Mr. Ahmad, Ali Khan.

Mr. B. Das.

Mr. M. K. Acharya.

Mr. S. C. Ghose, and

Mr. M. C. Naidu.

DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Also that the following Members have been elected to the Panel of the Standing Committee in the Department of Education, Health and Lands:

Maulvi Abul Kasem.

Pandit Harkaran Nath Misra.

Sir Hari Singh Gour.

Sardar V. N. Mutalik.

Captain Ajab Khan.

Haji Wajihuddin.

Haji S. A. K. Jeelani.

Mr. E. G. Fleming, and

Mr. Darcy Lindsay.

THE RAILWAY BUDGET—LIST OF DEMANDS—*contd.*

SECOND STAGE—*contd.*

Expenditure from Revenue—contd.

DEMAND NO. 1.—RAILWAY BOARD—*contd.*

Mr. President: The Assembly will now resume consideration of Demand No. 1—Railway Board.

The question is :

“ That a reduced sum not exceeding Rs. 2,08,900 be granted to the Governor General in Council to defray the charge that will come in course of payment during the year ending the 31st day of March, 1926, in respect of the ‘ Railway Board ’.”

I propose first to take the question of the Rates Tribunal raised in the motion standing in the name of five Members, Mr. Neogy, Mr. Venkatapatiraju, Sardar Mutalik, Mr. Rama Aiyangar, and Diwan Bahadur Ramachandra Rao.

APPOINTMENT OF A RATES TRIBUNAL.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I beg to move that the Demand under the head ‘ Railway Board ’ be reduced by Rs. 100 for the purpose of discussing the question of the appointment of the Rates Tribunal. Honourable Members are aware that the Acworth Committee made a specific recommendation for the establishment of the Rates Tribunal. Their recommendation will be found in paragraph 156 of the Report. After discussing the grievances of the public in regard to undue preference in the matter of rates and of block rates and also the alleged unfair competition with waterways, they proceed to observe as follows :

“ We have discussed with very many witnesses, representing not only the Indian public, but the railway companies, what the authority to control rates should be. We have found a unanimous readiness on both sides to accept the constitution of a new Tribunal, practically identical with that recommended for the same duties by the Rates Advisory Committee constituted under the English Ministry of Transport Act, 1919, and accepted as satisfactory both by the railway companies and by representative organisations of the traders in England. We recommend the establishment of a Rates Tribunal consisting of an experienced lawyer as chairman and two lay members, one representing the railways and the other the commercial interests, with power, in any case deemed of sufficient importance, to add two additional members, one on each side.”

Then in the next paragraph, they point out that the Indian Railways Act of 1890 requires revision, and they say that it will be for the President of the Rates Tribunal to undertake this duty as soon as he is appointed, and they make the further recommendation that the legal chairman should be appointed forthwith as a whole-time officer.

Now, Sir, about four years have elapsed since these recommendations were made, and we do not know where we are in regard to this question. Several questions were asked in this House, both in the last Assembly and in the present, regarding the intentions of Government with regard to the establishment of this very useful and necessary tribunal. As far as I know the Government have not come to any decision on this point, and I believe the reply of the Secretary of State to their despatch has been received only recently. I should like to know when this Tribunal is intended to be established, and moreover what the functions of this Tribunal are intended to be. Because, as far as I can see, the Acworth Committee contemplated this Tribunal to be of a judicial nature with defined statutory functions. I

[Mr. K. C. Neogy.]

do not know whether it is the intention of Government to have a Tribunal appointed on the lines recommended by the Acworth Committee, or whether they propose to deviate in any important particular from these recommendations.

Sir, I move my motion.

The Honourable Sir Charles Innes (Member for Commerce and Railways): I am afraid there has been some delay in regard to this matter. The actual position is this. The Railway Board and the Government of India are in agreement with the principle of the recommendation of the Acworth Committee and I should explain to the House clearly why we are in agreement with that principle. I can best explain it by reading out two paragraphs of the memorandum which I put before the Central Advisory Council. In the first place we admit that the present arrangements under the Indian Railways Act for dealing with charges of undue preference, that is to say, the establishment of a Railway Commission, is so cumbrous a procedure that it has never yet been adopted, and we agree that there should be some more expeditious manner of investigating complaints of that kind. The other reason why we are anxious to get a Rates Tribunal constituted is this. I am afraid that in India there is a great suspicion about Indian railway rates. We in the Railway Board do not admit that those suspicions are justified. The fixing of railway rates is probably one of the most technical matters in the world, and it is quite impossible for the general public to understand why a particular rate has been fixed for a particular class of traffic, and we feel that if there is a body like the Rates Tribunal established, to which anybody who had a complaint that a rate was unreasonable in comparison with another rate could go and state his case, and if that complaint could be investigated by that body, this suspicion would be removed. We should welcome every possible kind of publicity in matters of that kind for, we in the Railway Board feel that we have nothing to conceal and we feel that these suspicions, which were voiced only yesterday by Mr. Duraiswami Aiyangar and Pandit Motilal Nehru are quite unjustified. Those are the reasons why we agree in principle to the establishment of a Rates Tribunal. The delay is due to the following facts. In the first place, we discussed this question in the fullest possible detail with the Central Advisory Council in the autumn of 1923. It was recommended to us by the Central Advisory Council that we should not appoint in the first instance what may be called a statutory or judicial tribunal, that is to say, a rate-fixing body. The Central Advisory Council agreed, that in the first instance at any rate the body should be an investigating body, the object being to get that publicity which the Railway Board want, and we also came to an agreement that the functions of the Rates Tribunal should be the functions recommended by the Acworth Committee. As I have said, we received those recommendations from the Central Advisory Council in the autumn of 1923. In the beginning of 1924 we addressed a despatch to the Secretary of State on the subject. We have just got the reply of the Secretary of State. The reply reached us only on the 30th of January. It raises one point of substance regarding these functions. I am afraid that I am precluded by the Standing Orders of the Government of India from saying what that point of substance is, for I am not allowed to disclose matters which are under correspondence with the Secretary of State. But I propose before this session ends to put the whole matter confidentially before the Central Advisory Council in order that we may discuss it, and I hope that at any rate we shall be able to make a beginning with the Rates Tribunal.

shortly. I think I have shown that, though there has been some delay, that delay has been due to causes which were not altogether within the control of the Government of India. As I have said, we shall discuss this matter before the close of the session with the Central Advisory Council, and I hope that before long we shall get this important body into existence.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): May I inquire, Sir, of the Honourable the Commerce Member what he means by "before long"? Does he mean within 6 months?

The Honourable Sir Charles Innes: It will depend very largely upon the advice the Central Advisory Council gives us. I hope to discuss the matter before the close of the session with the Central Advisory Council.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadan Rural): I wish to know from the Honourable Sir Charles Innes whether any further reference to the Secretary of State will be necessary in consequence of this discussion. It seems to me that this matter has been delayed already for more than two years.

The Honourable Sir Charles Innes: That again, I think, will depend upon the results of our deliberation. I imagine that possibly another reference will be necessary, but it will depend very much upon the advice we get from the Advisory Council.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): May I inquire if it will be a committee of 3 persons?

The Honourable Sir Charles Innes: The idea is to have a Board of three with a lawyer President and to empower that Board like the Tariff Board to co-opt members for particular inquiries.

Mr. B. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Are we to understand, Sir, that the Government have come to the conclusion that even if a Rates Tribunal is to be appointed shortly, it will be merely an investigating body and not a statutory tribunal as contemplated by the Acworth Committee?

The Honourable Sir Charles Innes: I am not quite sure whether the Acworth Committee did contemplate a statutory tribunal. But the idea of Government is to start in the first instance with an investigating body, not a statutory body.

Mr. K. C. Neogy: Sir, in view of the statement made by the Honourable the Commerce Member I do not propose to press this motion.

The amendment was, by leave of the Assembly, withdrawn.

REDUCTION OF THIRD CLASS RAILWAY FARES.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 1,000." The object of the amendment is, as I have said in my own motion, that the Railway Board should at an early date reduce the rates for third class railway passengers. The rates for third class railway passengers were raised at a time when the Railways were making heavy losses. These rates have been raised to a very great extent. Now circumstances have changed. The Railways have begun to make profits, and as the Honourable the Commerce Member has pointed out, the Railways this year have shown very

[Mr. N. M. Joshi.]

handsome profits. I therefore think that the time has come when the Railway Board should issue instructions to the different Agents of the Railways to lower the third class railway fares to their former level. Sir, the Honourable the Commerce Member said that the reserve must first be built up and when the reserve is built up to a large extent, then they may think of reducing the fares. I think, Sir, that the main object of having a reserve fund is that you should be able to reduce your railway fares. That should be the first charge on your reserve fund. Fortunately, we have got a reserve fund this year, and we should utilise that reserve fund in order to give relief to the third class railway passengers. Sir, it was an irony of fate that when Government could reduce the fares, they only first thought of first and second class passengers. I do not wish to weary the House by talking on this subject, but, Sir, I do feel very bitter on it. Whenever Government can give relief to the tax-payer—and I think in this matter the passengers on the Railways are tax-payers also—they generally think of those people who do not want relief. The Honourable the Commerce Member said that the number of first and second class passengers was going down and therefore he thought that they could not bear these rates. Sir, in the case of second and first class passengers a great deal of their travelling is for luxury and they have cut down their luxury travelling.

Khan Bahadur W. M. Hussanally: Not business?

Mr. N. M. Joshi: If that travel is necessary for them, they are sure to travel even if you raise the rates. Therefore the argument that the first and second class passengers could not pay the rates and hence first and second class travelling has been reduced does not hold very much water. Travelling has gone down in the case of the first and second class passengers, but the reduction of the travelling is in their luxury travelling. Then, Sir, the Honourable the Commerce Member stated that in their case he had to lower the rates as the principle on which he fixes the rates is what the traffic can bear. I do not wish to repeat what I have said, but I do ask the Honourable the Commerce Member whether he does not think that in the case of the first and second class passengers there is a necessity for him to lay down a certain minimum below which he cannot go. If he goes on reducing the first and second class fares to the extent to which the first and second class travelling will pay, then I think he will have to reduce them very much more than what he has done so far. They do not wish to pay any fares, and will my Honourable friend give them joyrides in the first and second class carriages? I, therefore, think that the principle which the Honourable the Commerce Member has laid down for himself for fixing the fares is a very vicious principle. What the traffic will bear is a good principle as far as the maximum rates go, but certainly there must be some minimum rate fixed below which you cannot go, and that minimum rate must be the cost of the travelling. The Honourable the Commerce Member must find out what the cost of travelling is for first and second class passengers, below which he must not reduce his rates. I do not grudge the first and second class passengers their good luck. If the Honourable the Commerce Member can reduce their fares let him do it. But I want to press on the attention of the Honourable the Commerce Member that he should do justice to the third class railway passengers. He stated that in the case of the third class passengers the number is still

going up and he intended to imply by that that they could afford to pay the rates. Sir, he was given a reply in this House and I am sure that reply must be a convincing one to any one who keeps an open mind. The reply is that in the case of the third class passengers travelling is a necessity. They do not travel for luxury. They travel because in their case travelling on certain occasions is absolutely necessary, and they have to travel third class because, as some Honourable friend put it, there is no fourth class. I, therefore, think that although the number of third class passengers is going up, that is no indication that they can afford to pay the rates which the railways are charging. Moreover, Sir, it is not a question of mere affording. The question is whether they pay their cost of travelling or not, and as long as they pay the cost of travelling, the Railways have no business to charge them more and make profits. Sir, the Indian Railways have been making profits year after year from the third class passenger fares. Year after year the first class passenger has never paid his way. He has been always a losing customer, a customer to whom the Railways have to give a certain contribution instead of getting a contribution from him. If Sir Charles Innes had read the reports of his Agents he would find at least one Agent stating that it would pay him well to give some handsome contribution to the first class passengers if they could only stay away and not travel by his lines. The case of the third class passengers is absolutely different. They have been paying their way from year to year. Unfortunately, recently we do not get these figures because the Railway Board has very conveniently omitted certain tables and statistics. They were convenient to the Members of the Assembly but unfortunately inconvenient to the Railway Board. As I am going to speak on that matter separately, I do not propose to deal with it more at this stage. I do feel that the third class railway fares ought to be reduced because the third class passenger has always been paying his way. Moreover, the Government of India and the Railway Board, although they have got money, generally try to charge to revenue amounts which ought to go to the capital side, and thus show that there is no money available for the reduction of rates. This question was dealt with by my Honourable friend, Mr. Jamnadas Mehta and I do not wish to deal with it at great length. There are several items which ought to be charged to capital. Government purchase land for the sake of the Railways and put that item against the revenue side. I cannot understand why money spent on purchasing land which will continue to exist for ever should be charged to the revenue side, increasing the burden on the revenue and making a reduction of rates difficult. Again, a large amount which is spent on paying away the capital of the companies and their shareholders is also charged to the revenue side. I do not see why that should be done. This question has been discussed in this House and the House has expressed its opinion that amounts spent on paying away the capital of the companies ought to be charged to capital. Still the Government insist against all rules of sound finance to charge to revenue amounts spent in paying off the capital of the companies in the form of annuities.

Mr. G. G. Sim: No.

Mr. N. M. Joshi: Have you not done it this year? There are other matters in which Government have been charging the revenues instead of the capital thus making it difficult to reduce the railway fares. Sir, I do not wish to speak much more on this point because it has been discussed

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very often, but I do hope that the House will pass my reduction in order to give a clear indication to Government that the third class railway rates must be reduced.

Mr. President: Motion moved:

"That the Demand under the head 'Railway Board' be reduced by Rs. 1,000."

Kumar Ganganand Sinha (Bhagalpur, Purnea and the Sonthal Parganas: Non-Muhammadan): Sir, I had given notice of an amendment but my cut is not so large as that of my Honourable friend, Mr. Joshi, and I rise to support the motion of my Honourable friend. Those who have moved among common people and have had occasions to talk to them will bear me out that there is a widespread discontent with regard to the enhanced third class fares. Season after season, year after year, interpellations, motions and Resolutions have been brought before this House urging upon Government the necessity of reducing the third class fares. Instead of meeting the popular demand, the Honourable the Commerce Member in his speech on the occasion of his presenting the Railway Budget said that such a course is impossible, and in support of his contention he cited a formula to which he rigidly adheres. The formula is, can the traffic bear the rate? He considers only that aspect of the question. Unfortunately, he does not consider under what hardships a third class passenger pays his railway fare. If he wants to know that he should go to the villagers or have a confidential conversation with any of the third class passengers, and then he will be convinced that the question of reduction of fares is really a thing which every third class passenger has taken to his heart. I submit, Sir, that the formula is exceedingly misleading because it taxes a man who has not got the capacity to pay.

The Honourable Sir Charles Innes: It is not a tax.

Kumar Ganganand Sinha: It is a tax more or less. It is a tax on railway passengers. The Commerce Member has reduced the fares of those who can well afford to pay even more than what was the enhanced rate for travelling in the first or second class, but he has turned a deaf ear with regard to those who have, as I have already submitted, great difficulty in defraying those expenses and it is only because of necessity, as has been shown by my Honourable friend Mr. Joshi, that they have to pay it. I submit, Sir, that the railway authorities should not overlook this very important point of view and I also submit, as has been pointed out by Mr. Joshi, that they can find out ways and means to reduce the fares if they desire it sincerely.

Khan Bahadur W. M. Hussanally (Sind: Muhammadan Rural): It is impossible for anybody not to have sympathy with my friend Mr. Joshi in the object which he has in view. The fares on all railways and of all classes had to be increased about cent. per cent. during the war. At least that was the case in the case of the North Western Railway. At that time all prices had gone up and the railways could not be kept up and could not pay their expenses. My Honourable friend Mr. Joshi thinks that the first and second class fares had been reduced, but let me assure him that that is not the case at least in the case of the North Western Railway so far as I am aware. My friend Mr. Joshi said that the travelling of first and second class passengers was more for luxury than anything else. I beg to differ from him in that view. On the contrary, I

think that the railway travelling of the third class passengers is more for luxury than that of the first and second class. My Honourable friend is laughing. I will give him one reason. The third class passengers travel more to attend fairs, religious assemblages, pilgrimages and so forth, but the first and second class passengers generally go for business and not for luxury. The question of the reduction of fares for the third class passengers should not certainly precede the question of increasing their comfort on the railways and giving them facilities of travelling and more accommodation and more amenities. We have been crying ourselves hoarse upon that point for years past and, so far as I am aware, a provision has been made in the Railway Budget to give them more facilities and more accommodation while travelling on the railways. That is a question which in my opinion ought to precede any question of reduction of rates and fares as I consider that to be more important and urgent. Moreover, if the Rates Tribunal is to come shortly, I think this question ought also to be referred to that tribunal to consider how far the railway administration would be justified in reducing the rates of all classes, and more particularly of the third class travellers. I think it is a little too early . . .

Mr. N. M. Joshi: Do you want this House to forego its power?

Mr. W. M. Hussanally: Power to pass a vote of censure? That is what you wish us to do now. You are asking this House to pass a vote of censure against the Government for not reducing the third class fares. But that is a question which cannot be taken up until the whole question of rates is gone into, and that can only be done by the Rates Tribunal; but as I said just now, after the question of the conveniences of the third class passengers is gone into and settled. That is a point which is of more urgent necessity than the reduction of rates and, as soon as that has been done, then it will be time for you to come forward and ask this House to reduce the rates and, if necessary, to pass a vote of censure. As I said, the Railway Rates Tribunal is shortly coming, and I think this question should also be referred to that body for decision. The House should not therefore pass this vote of censure. I beg Mr. Joshi to withdraw his motion.

Colonel J. D. Crawford (Bengal: European): I rise to support the remarks of my friend Khan Bahadur Wali Muhammad Hussanally. It is not that I have no sympathy for Mr. Joshi's proposals because we all know his kind heart and the solicitude he has for the welfare of the poorer classes. In this case I hold with my friend the Khan Bahadur that what the third class passenger wants more than the reduction of his fares is some convenience in his travelling. Anybody who has travelled by passenger trains and taken the trouble to look out of the window realises the hardships to which the third class passenger is subjected in our Indian railways. What we require for him are further facilities for travelling, more carriages and more trains. This will not be possible if you reduce the third class fares. As it stands to-day, I understand that you can for one anna travel 3 miles and that is a very cheap form of transportation. The question that this House has to consider is whether at the moment we want a cheaper form of transportation for the third class passenger or a better form, and I believe that the grievances about the high rate of fares exist more in the imagination of Mr. Joshi than in the minds of third class passengers. Mr. Joshi by his motion at the moment is endeavouring to commit the

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House to a reduction of third class fares. He has not studied the subject from the wider point of view as to what is best for the third class passenger and I again state that in my opinion

Mr. N. M. Joshi: May I say one word, Sir. The Honourable Member does not see that the amenities of third class passengers, such as increasing the coaches and others, are charged to the capital account and not to the revenue at all. There is no connection between the two.

Colonel J. D. Crawford: I still hold that we have to find the money to provide those greater conveniences for third class passengers, which is what they really want. I think the House will be ill-advised to press this motion for reduction of third class fares. I again agree with my friend the Khan Bahadur that this is a subject which might well be referred to the Rates Tribunal when it is formed. For the moment we should endeavour to do our best to improve the travelling conveniences of the third class passengers.

Dr. K. G. Lohokare (Bombay Central Division: Non-Muhammadan Rural): The argument advanced by the Honourable Member opposite in his speech on the Budget is the criterion—"can the traffic bear the rates?" I take his standard and examine the statistics that are before us. In 1921-22 we had a proportionate rise in the second class fares and in the first class fares but the fall in the number of passengers in 1922-23 is 14 millions, while the rise in the number of third class passengers is only 14 millions. If there is a rise in third class passengers it is due to a shifting of second class ones to third class; there is practically no rise in the actual third class travellers. That is for 1922-23. Taking 1923-24, we have a fall in second class of only 6 million passengers and in the first class about one million. The total increase in third class passengers in 1923-24 is 10 millions, that is, at the utmost a net increase of two or three millions. Coming now to the earnings. From the figures of 1922-23 we find that third class earnings have risen only 400 lakhs. When the fares were raised from 3 to 4 pies per mile the increase in earnings should have been at least one-third, whereas the increase is one-seventh. Proportionately, therefore, here as well we have a fall. Taking next the figures for 1923-24, we have no rise in earnings at all and the earnings of third class passengers have not risen. Surely, if the traffic would have borne the rise there should have been a proportionate rise according to the rise in fares.

Another thing I wish to advance here is the earnings of each coaching vehicle per mile. I have these statistics before me furnished in reply to interpellations here. In 1920-21 a third class coaching vehicle earned 60.78 pies per mile, while in 1921-22 it was 55 pies and in 1922-23 it was 68. Now the fares in 1922 were increased by one-third, that is the earnings should have been nearer to 80 pies per mile, but there is no proportionate rise in earning capacity. Consequently, it clearly shows that instead of getting a proportionate rise in the earning of third class coaching vehicles per mile we have a fall. That means that the third class traffic could not bear the rates. That is what can be seen from the statistics. There is another argument in favour of the contention that these third class passengers cannot bear the rates. We have seen that second class passengers have swelled the number of the third class. Now if there had been a

fourth class we could have seen what number of third class passengers resorted to the lower class. But we have no fourth class and there is no alternative for third class passengers but to travel third. Consequently their continuing to do so is not a real test of their capacity to meet the charges, and even so we have seen that the earning capacity of each coaching vehicle per mile has not increased proportionately to the rise in rates. The argument of the Railway Member therefore, that third class traffic can bear the rates is sufficiently broken I think by the statistics of earning of coaching vehicles per mile and of the total earnings that have been furnished here. The only best thing to do I think in the interests of the traffic and even in the interests of railway earnings is to reduce the third class fares and introduce the return ticket system which prevailed before.

The Honourable Sir Charles Innes (Commerce Member): Sir, I would like to say at once that I welcome this discussion. In fact I put those remarks in my budget speech because I hoped that this very important matter would be discussed upon the floor of this House. And I have another preliminary remark to make and I am afraid that it is a remark in the nature of an apology. I must apologize to the House for giving a wrong figure to the House in replying to the debate on the general discussion of the Budget on Monday. The House will remember that I said that third class fares have gone up 33 per cent. I made a mistake. Since Monday I have taken the opportunity to find out exactly what the increase in fares has been since 1913-14. I am not going by maxima or minima or anything of that kind. I am going to give the House the average rate charged in 1913-14 and the average rate we get now from the different classes of passengers. In 1913-14 the average rate charged per passenger per mile in pies was for first class passengers 14·48; in 1923-24 it was 24·33. That means that the average rate we were charging a first class passenger per mile in 1923-24 was 68 per cent. greater than it was in 1913-14. As regards second class passengers in 1913-14 the average rate per mile was 6·60 pies; in 1923-24 the average rate per mile was 11·73 pies. That is an increase of 77 per cent. For intermediate class passengers the average rate in 1913-14 was 3·14 pies, and in 1923-24 it was 5·42 pies; an increase of 70 per cent. As regards third class passengers the average rate in 1913-14 was 2·29 pies per mile; in 1923-24 it was 3·53 pies per mile; and that is an increase of 54 per cent. (*Dr. K. G. Lohokare*: "Why not take the average of 1919"?). I am taking the average before the war and now. I think that is the most convenient measure of comparison. And in the same period, my office tells me that working expenses in 1923-24 were 106 per cent. greater than they were before, in 1913-14. And though our working expenses are 106 per cent. greater in 1923-24 than they were in 1913-14, we are charging third class passengers only 54 per cent. more. I want to take this matter in the first place purely from the financial point of view, and I should like to say that I do not think *Dr. Lohokare's* figures were quite correct. I do not think he had read the table on page 27 of the Railway Board's Report for 1923-24 correctly. As I have said, we are at present charging third class passengers at 3½ pies per mile, and it was calculated that if we made such a reduction as would reduce that average rate by half a pie per mile, it would cost us 4½ crores of rupees. (*Dewan Bahadur T. Rangachariar*: "May I know what is the maximum rate for third class?") I will give that to the Honourable Member later. Of course we might recover some of this loss if we could increase our

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passenger traffic. I admit that. But there are two points to be considered in that connection. In the first place it always takes a considerable time for traffic to react to a reduction in rates. That is the first point I want to make. The second point I want to make—and I am afraid it is a fact—is that we cannot hope for any great increase of traffic simply because we could not carry the traffic. And so the first point I wish to bring home to the House is that, supposing we were to make such a reduction as to reduce our average rate for third class passengers by half a pie per mile, it would cost us $4\frac{1}{2}$ crores next year. What would be the effect upon our Budget for next year? We are budgeting for a surplus on commercial lines of 10 crores. The effect therefore would be that if we once introduced this reduction we would reduce that surplus on commercial lines to $5\frac{1}{2}$ crores. Our gross contribution from commercial lines to the general taxpayer is 645 lakhs. The effect of this measure will be that instead of being able to pay, as we hope, 328 lakhs into our reserve, we should not be able to pay anything into our reserve at all; on the contrary we should have to take out of our reserve a crore of rupees more to enable us to pay our contribution next year. That is the first point I wish to make; and I beg the House to observe that, as Sir Purshotamdas Thakurdas pointed out, our estimates for next year are based upon normal conditions. They are based upon a moderately good state of trade and a normal good monsoon. We cannot bank on having a normally good monsoon. We may have a very very bad one, and if we did have a bad one, then we should not get even the ten crores of profit which we are estimating for. Then again, I should like the House to remember that if they followed my calculations and if we should have carried out Mr. Joshi's proposals, we should have reduced our earnings next year by $4\frac{1}{2}$ crores, and in order to pay the increased contribution we should have to take one crore out of our reserves. Our reserves at the end of this year, we hope, will be 410 lakhs. That would leave us just 310 lakhs. Now in the following year we have got to pay to general revenues from commercial lines 730 lakhs of rupees. That is a very very heavy contribution indeed, and if again we had a bad year, the whole of our reserve would go.

Now, let me come to this point which has caused so much discussion. I refer to my statement that the rate should be what the traffic can bear. Mr. Joshi challenged that statement. I was merely giving the maxim followed by the railway management in every country in the world. (*Mr. N. M. Joshi*: "Maximum rates.") You charge what rate the traffic can bear. Now as I said, speaking on the subject of a Rates Tribunal, this question of rates fixation is I imagine one of the most complicated and technical matters in the world. I do not profess to know very much about it, I am certainly not an expert, but I wish to quote to the House what an acknowledged expert says. Mr. Joshi will see that I was perfectly justified in using that expression. Sir William Acworth says:

"If a railway is to have any chance of being a financial success a service for passengers must be given whether it contributes its fair share of the total cost of the railway services or not. But what is its fair share? In the familiar railway phrase, the answer is that the management endeavours to charge each category of traffic what the traffic can bear. The idea is fundamental, the practice is universal."

Now let me go a little deeper into this matter. Though I am not the least bit unsympathetic with Mr. Joshi in this matter, I do not believe that it will be worth making a reduction of half a pie per mile in passenger fares if it is to be merely what I might call *bakshceeh* to the third

class passenger. Now I should just like the House to consider what it means. We know from our statistics that we carry 512 million passengers. We know from our statistics that the average journey of each passenger is 34 miles; and we know that the average which the third class passengers pay is $3\frac{1}{2}$ pies per mile. Now the reduction of half a pie per mile on the average journey undertaken by each passenger would mean 17 pies. Now we carry 512 million passengers; that is to say roughly, statistically speaking, each Indian makes two journeys in the year; and the actual results, if we made this reduction merely to confer a benefit on the third class passenger, would be that each individual would pay 17 pies less for each journey or 34 pies, or three annas, less for his two journeys in the year. Now I say that it is not worth doing that merely for the sake, as I say, of making a concession, because the individual benefit would be so small. In order to give that small benefit, we should deplete our reserves; and I hold the very strongest conviction on this point. I believe that we should do more good to India as a whole by building up this reserve in order that we can go in for a more forward policy of development. I hold that the thing that the Government can do most to assist Indian industries is to create the conditions for industries, and you best create conditions for industries by improving your communications, that is by developing your railways; and I hold that the development of your railways in India is one of the best ways in which, as I said before, you can increase the prosperity of India. And what would be the result of increasing the prosperity of India? I am perfectly sure that Mr. Joshi will agree with me that the result will be that it will raise the general standard of living throughout India; and I believe that there is no greater good that we can do to India than to raise the general standard of living throughout India for everyone. Half the trouble—and I speak now as one who has for some time been a Director of Industries—half the trouble, half the difficulty in developing the industries of India is that the ordinary average Indian has got so very few wants. After all, industries meet the wants of the people; and if the great bulk of your people have got very few wants, that is the main difficulty you have in creating industries in India. If you increase the standard of living in India, you increase the wants of the people, and you give your industries a chance. That is putting it on the broadest possible ground. But I would not like the House to go away with the idea that I am in any way unsympathetic in this matter. I am not. I would now like to refer again to this book by Sir William Acworth and to give Mr. Joshi and the House certain other railway principles. One of the principles is this. Get traffic; the more traffic carried, the less it costs to carry; therefore, first and foremost, get traffic. (Mr. N. M. Joshi: "Reduce the fares.") Quite so, that is exactly my point. If by reducing your fares when the time is ripe you can show that you will get more traffic, then I am quite prepared to agree that it would be worth doing. We in the railways hold by this principle. It is so much better to get a small margin of profit on a large turnover than to get a large profit on a small turnover; and if we could see our way by reducing these fares to get this large increase of traffic, then certainly it would be worth doing. But I would ask the House to examine this point further. As I said in my budget speech, in the last three years our annual increase of third class passengers has been ten million passengers a year. The average rate of increase per year before the war was about 20 million. When we were charging an average of 2.20 pies per mile our average rate of increment per year was 20

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million passengers. Supposing by reducing our fares we get back to that rate of increment. At the present time it is ten million. If we get back to the old rate of increment, we should get 10 million passengers per year more than we are getting at present. Now I have told the House that our average rate is 3.53 pies. We will assume it is reduced to three pies. The average passenger journey is 34 miles. We will assume it goes up to 36 miles. That means that each of these passengers will bring us in nine annas. That means that ten million passengers will bring in a revenue of 56 lakhs. Now just consider how long it would take at that rate of increment to get back the 4½ crores we should sacrifice. The House will see that this is a matter which we have to go into and to consider rather carefully. But as I have said, I am by no means unsympathetic or stiffnecked in this matter. We have the results of only one year's working before us. We have just begun to build up a nucleus of a reserve. I said that the proper way for us to deal with this matter is this. Let us see how we get on next year. Let us see what the monsoon is like. Let us see how our gross returns are coming in. We have these figures under constant examination. We are always collecting statistics. I will undertake that in the autumn of next year, towards the end of next year, we will have the whole matter re-examined again, and we will consult the Railway Standing Finance Committee, and then we shall be able to come before this House this time next year and will place the facts before the House, and then the House will be able to decide that very important question raised by Mr. Hussanally and Colonel Crawford, namely, whether it would be wise to spend any money we can afford in improving facilities, improving conveniences, or in reducing rates. But I do suggest to the House that the time is not ripe for a decision on this matter now and that it would be wrong on the part of the House to accept Mr. Joshi's motion.

12 NOON.

Mr. Harchandrai Vishindas (Sind: Non-Muhammadan): Sir, in addition to the remarks that have fallen from those gentlemen who have spoken before me against Mr. Joshi's motion, I have only to make a few observations. The first is that I have not at all heard any complaints from third class passengers themselves to the effect that the fares are very high. Of course I do not blame Mr. Joshi because he takes up cudgels for the poor: he is a labour member. But so far as the poor are concerned, I do not think they are in the least affected by these railway fares. (Voices: "No, no.") I wish enthusiastic Members will allow me to speak: they can have their say. It is very easy to win cheap popularity by being a poor man's friend like Sir Joseph Bowley. When this discussion goes abroad in the newspapers, I would be condemned as the poor man's enemy and those gentlemen who are shouting will be praised as the poor man's friends. Still I am open and frank enough to say that these third class passengers are not at all affected. Before railways came into this country they used to travel by camels and by bullock carts. How much time did that take? Anybody, poor or rich, who has to go from place to place must go. Now, I say that by railways, these poor people have been very greatly benefited in the method, in the expedition of travelling and in the fares that they have to pay. I learn from an expert that third class fares in India are the cheapest in the world. If I am wrong—

Mr. N. M. Joshi: May I ask what is the income of the average Indian and what is the income of people in other countries?

Mr. Harchandrai Vishindas: I can give the answer. The railways have so far improved the conditions of the poor travelling public, that they have to pay much less fares and they travel more speedily than they did before railways were introduced; and it is for the benefit of the poor, as Sir Charles Innes has pointed out, that we should have these reserves, so that we may improve communications and assist the poor in better ways. It is, I think, a very unwise policy to throw away such a large amount of money merely for the sake of say 53 pies per mile. The individual is not affected in the least. If a poor man has to go from place to place, I do not think he is in the least inconvenienced by this 53 pies. I say this is an occasion when we ought to take into consideration our financial position, the future of the Railways, and, as Sir Charles Innes pointed out, by adopting this motion we will be throwing away money which can be very well utilised for improvement of communications in the future.

Mr. Narain Dass (Agra Division: Non-Muhammadan Rural): Sir, while listening to the discussion on the reduction of third class fares, certain statements have certainly stupefied me. Let me assure you that I am not so entirely unacquainted with third class travelling. I confess that I have done a lot of travelling by third class on railways, and I really wonder whether there could be an Indian who has not heard the repeated complaints, repeated complaints in the clearest terms, about the abnormal rise in the third class fares. Whatever may have been the normal increase in the passenger traffic, I may assure the House that it has been very badly hampered simply because of the enormous rise in third class fares. Third class travelling has been designated as a "luxury", as a means of satisfying one's luxurious habits. I wonder how such an idea has originated. It is absolute necessity that compels a poor man to travel at all by railway. When he cannot do the distance by trudging, when horse and cart and wagon fail him, it is then that he takes to railway trains at all; and I know how this exorbitant rise in third class fares has told upon his pocket. Whenever there is a financial question, when there is a question of money, these average calculations of so many annas per head, so many pies per head, merely count for nothing. In the poorest country in the world 3 annas a head or 4 annas a head seems to convey no meaning at all to the financial experts. Well, if we manipulate our taxes at so many annas per head, we could raise crores and crores of rupees. I can suggest a number of ways in which two annas per head might be inflicted in a variety of ways. What will be the accumulated drain on the poorest of people in the country? Is that ever realised? If I have been able to catch the Honourable Member aright I think I heard that we will have to sacrifice 4 crores of rupees for a very nominal reduction of half a pie per mile—(An Honourable Member: "4½ crores".) Well, 4½ crores of rupees. Is it not a very big sum? Will it not go to the help of so many starving people? Will it not add to the feeling of relief of these people? And how many industries this will go to support. Half a pie per mile seems to be nothing in the calculation of financial experts. But what is the total volume that we draw from those poor people? Sir, I assure you that these surplus railway budgets are simply the results of very abnormal, conscience-less rise in the rates, specially in third class passenger traffic. I earnestly urge on the House the absolute necessity of pressing this motion to a division. Third class travelling may be compared to the use of salt, so far as the poor, the labourers and agriculturists are concerned. I would rather not have the so-called improvement in the amenities and comforts of the third class passengers; if these are made a pretence to deprive the poor of a bare living. Sir, I support Mr. Joshi's motion.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, Motion No. 13 in the list is one of my amendments and I would like to explain that to the House. Now, my Honourable friend Mr. Harchandrai Vishindas seems to have thought that the third class passenger does not complain. I do not know if he has studied the statistics on the subject or read the last Administration Report. At page 22 it will be seen that they compare the number of passengers of the third class of the years 1910 to 1914 with the number of passengers between the years 1920-1921 and 1923-1924. It will be clear that the number of third class passengers was rising each year then at the rate of 16 to 25 millions per year. But subsequently it has been 2 millions in one year and only 10 millions each in the other years. It will be seen clearly therefore that the third class passenger prefers to walk now and goes from place to place sacrificing his time and convenience and could not pay the little extra. Again, my friend Mr. Harchandrai Vishindas thinks that 53 pies is nothing to him. Of course with all his status and other things he may say so. But the poor man has to pay. 24 miles is the average travelling of each passenger according to statistics. Even for 24 miles he will have to pay 12 pies, and 12 pies is not easy for a poor man both morning and evening to go to his place of work and return. I really ask is there any point in that.

I will now take up the point taken up by the Honourable Sir Charles Innes: that is a point we have to deal with. I submit, Sir, I have dealt with it in the speech on the budget discussion. I referred to the fact that whereas we are putting the revenues of next year at 101 crores, we are putting the working expenses at 3½ crores more also; that is for an extra revenue we budget of 3 crores we put extra expenditure of 3½ crores. If you will look into the papers you will see the figures. Suppose this 3½ crores extra budgeted for is not there, you should have another 3½ crores next year to go into the reserve fund, the depreciation fund, as also the contribution to the general revenues. You can now understand

Mr. Harchandrai Vishindas: Will you allow me to say a word, Sir? The figures appearing at page 22 of the Report of the Railway Board show that the number of third class passengers has been steadily year after year increasing from 1910 right up to the year 1923-24, that is 3 lakhs odd in 1910 to 5 lakhs odd in 1923-24.

Mr. K. Rama Aiyangar: My friend apparently has not followed me. Between 1910 and 1914 the increase per annum ranges from 16 millions to 27 millions, while the increase from 1921-22 ranges between 2 millions and 10 millions. I think I am perfectly right. My friend has not followed my statement. Therefore, it only shows that the same number of passengers that were willing to travel by train would not travel under the increased rates in the same numbers. That is the effect, Sir, in spite of a thousand miles increases in the railway lines. You will find, Sir, that in spite of an extra 3½ crores budgeted for this year, they are making provisions for everything needed by my Honourable friend Mr. Hussanally and my other friend who followed him to support him, only because he found some kind of help in that direction. I submit, therefore, that the amenities for third class passengers are provided for abundantly and it has been explained on behalf of Government by the Honourable Sir Charles Innes that whatever could be done is being done and more would be done if it is possible. I have no doubt that the Honourable Mr. Hindley is particularly attending to that and the amount that has been provided for in

the Budget is absolutely sufficient for that purpose. The question that really arises is: Can we next year sacrifice $4\frac{1}{2}$ crores when we expect to build up only $7\frac{1}{2}$ crores of reserve within next year? But, as I pointed out at the commencement of my speech, it is not only that. You build up $7\frac{1}{2}$ crores or $7\frac{1}{2}$ crores for the reserves next year; you build up about $3\frac{1}{2}$ crores in the depreciation fund before next year and you have given more than 11 crores after deducting the military line losses to the general revenues. All these no doubt will be affected if you take this $4\frac{1}{2}$ crores. The Honourable Sir Charles Innes told us that the year after the next you may have to give 7 and odd crores to the general revenues. I will immediately say that in the year after that it will become less if your income of 2 crores becomes less next year, because we choose to take the income of the penultimate year. It so happens that in the year after the next you have to pay 7 crores but the income next year becomes less. The year after that you have to pay less to the general revenues. The question, then, is whether this 4 crores is really worth sacrificing in the interests of the tax-payer? Should you, when you are now making 100 crores, go on adding to your expenditure and put all the extra income that you are getting year after year under the head of expenditure, or should you control your expenditure and really help the tax-payer, who has only in 1922-23 been charged extra. In connection with that question there is another very vital point which has not been taken note of. What did the Honourable the Commerce Member and the Honourable the Finance Member do when they budgeted for this .5 pies per mile extra? They expected to get 6 crores of rupees extra. This point has also been referred to in the Retrenchment Committee's report in paragraph 4. The Committee says that 6 crores of rupees extra were anticipated. But what was the result? Actually, the passengers did not travel as they expected them to travel and the result was they got only about 2 crores and this amount of 2 crores they may actually get by the increase of passengers next year. I have already shown that 25 millions per annum has been the increase in the number of passengers each year when you were going at the lower rate. With the higher rate it has been reduced to 10 millions, leaving the rest 15 millions who do not travel in this class at all. Now, these 15 million passengers may be expected to travel also. The question then was raised by the Honourable Sir Charles Innes in his opening speech that there may not be sufficient number of coaching carriages available. That question apparently has not been taken up now because it looks as if they will certainly be able to bear this extra number of passengers that might travel. In fact, each year the number has grown. In the year 1922-23, which was the year of the Retrenchment Committee's report, they calculated 21 per cent. extra passengers to travel over 1914 but the number of carriages was less in proportion. But since then there has been an increase in the number of carriages—I do not know the percentage of the increase,—but certainly the number is much more than will be necessary for the third class passengers that you might expect to travel next year. What I mean to say is that there may be an extraordinary increase in the number of shuttles to be run and that will quite meet the purpose. Sir, what I wish to say is this. They anticipated 6 crores in 1922 but they got only 2 crores. Now, it is just likely, when you anticipate nothing next year, you may practically make up your past losses by the increase of passengers. Suppose you do not get the full profit of 12 crores that you anticipate for next year and if there is really a loss of income, then the expenditure will also be decreased. Taking all these

[Mr. K. Rama Aiyangar.]

facts into consideration which I mentioned in the opening part of my speech, I think it is not absolutely impossible that you should be able to cut your figure by $4\frac{1}{2}$ crores. I shall have no objection if the reduction is so made that it is restricted to 100 miles or 50 miles, so that the actual loss that might be incurred by the Government may not be more than 2 crores. It is possible to work out the figures in order to achieve this end. I do want that the tax-payer should not be worried more than he has already been worried and that he should be given immediate relief. If you do that you will not lose because you have got enough money. Next year you want to budget for $3\frac{1}{2}$ crores more. Stop it. I would like to stop that extra expenditure because you have already put in the present Budget considerable sums of money. Under these circumstances it would be a sordid plan if this Assembly cannot see its way to help the poor tax-payer to the extent of 12 pies per head and thus enabling him to travel 6, 10 and 12 miles for the sake of eking out his little existence. It will be wrong on the part of the Assembly not to help the tax-payer immediately, so that he may have some relief.

Khan Bahadur W. M. Hussanally: May I inquire from the Honourable Mr. Rama Aiyangar if he has taken account as to how much of these 12 pies will go to grog shops, cinemas and theatres?

Mr. President: The original question was:

"That a reduced sum not exceeding Rs. 9,08,900 be granted to the Governor General in Council to defray the charge that will come in course of payment during the year ending the 31st day of March, 1926, in respect of the 'Railway Board'."

Since which a motion for reduction has been moved:

"That the Demand under the head 'Railway Board' be reduced by Rs. 1,000."

The question I have to put is that that reduction be made.

The Assembly divided:

AYES—50.

Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Alimuzzaman Chowdhry, Mr.
Aney, Mr. M. S.
Badi-uz-Zaman, Maulvi.
Belv', Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamuni Kumar.
Chetty, Mr. R. K. Shanmukham.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Ismail Khan, Mr.
Iyengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Joshi, Mr. N. M.
Kasim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kidwai, Shalikh Mushir Hosain.
Lohokare, Dr. K. G.
Makan, Mr. M. E.

Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Sayad.
Nambiyar, Mr. K. K.
Narain Dass, Mr.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Patel, Mr. V. J.
Piyare Lal, Lala.
Ray, Mr. Kumar Sankar.
Roy, Mr. Bhabendra Chandra.
Samullah Khan, Mr. M.
Sarda, Rai Sahib M. Harbilas.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Kumar Ganganard.
Syamacharan, Mr.
Tok Kyi, Maung.
Venkatapadiraju, Mr. B.
Yakub, Maulvi Muhammad.

NOES—48.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abul Kasem, Maulvi.
Aiyer, Sir P. S. Sivaswamy.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Bhore Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Dalal, Sardar B. A.
Fleming, Mr. E. G.
Fraser, Sir Gordon.
Ghose, Mr. S. C.
Hindley, Mr. C. D. M.
Hira Singh, Sardar Bahadur Captain
Hudson, Mr. W. F.
Hussanally, Khan Bahadur W. M.
Innes, The Honourable Sir Charles.
Lindsay, Mr. Darcy.

McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra
Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Naidu, Mr. M. C.
Raj Narain, Rai Bahadur.
Rangachariar, Diwan Bahadur T.
Reddi, Mr. K. Venkatarama.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sadiq Hasan, Mr. S.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Sim, Mr. G. G.
Singh, Rai Bahadur S. N.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Vishindas, Mr. Harchandrai.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.

The motion was adopted.

(At this stage the President vacated the Chair which was taken by Mr. Deputy President.)

NEW BRANCH LINE POLICY.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muham-
madan Rural): Sir, I beg to move:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100.”

The matter upon which I want this reduction to be made is that the Government of India and the Railway Board have dealt with the question of branch lines and their development by District Boards apart from private companies in a most unsatisfactory manner and this motion is intended to mark the dissatisfaction of this House with this policy.

Sir, in connection with the Budget, the Honourable Sir Charles Innes told us that the Government have revised their old Resolution in regard to branch line terms and that they have issued a new Resolution and that this Resolution embodied a policy which had been put before the Railway Advisory Council and that the new policy was a very satisfactory settlement of a long-standing dispute. I entirely demur to that conclusion. I contend, Sir, on the other hand, that this Resolution is a most unsatisfactory one so far at least as the point upon which I want to lay emphasis, namely, that of the construction of branch and light railways by District Boards, is concerned. If we examine, Sir, this Resolution as to what is called the new branch line terms we find that it is a case of writing upon snakes in Iceland. There are no snakes in Iceland and therefore there are no branch line terms offered in this Resolution. This Resolution takes away once for all the concessions which the Government of India used to give to private companies formed in this country for the promotion of branch lines.

[Mr. A. Rangaswami Iyengar.]

It also leaves in a most unsatisfactory condition the position of District Boards which took advantage of these concessions and which have already in my province built a number of paying railways and have had under their consideration a number of new extensions of those railway projects. They have put up in my province a sum of nearly Rs. 187 lakhs for financing these new constructions, a sum which has been kept without being put to any of these purposes mainly by the obstructive and the dilatory policy of the Railway Board and of the companies under whose inspiration the Railway Board apparently acted. And this they did in spite of the fact that the Local Government concerned were doing their best to persuade the Railway Board to come to their rescue and to help these District Boards in the promotion, construction and maintenance of these railways. That, Sir, is a matter of history into which I do not want to enter at any length on this motion, nor do I want at this stage to deal with the question as to what extent branch line companies formed in India should hereafter be permitted to launch upon projects of feeder or subsidiary railway construction. So far as that is concerned, Sir, I take it that the policy to which the Government of India at the instance of the Assembly has been committed, namely, the policy of nationalisation of railways by State ownership and State management of Railways, will fully apply. It has placed beyond question the proposition that railway enterprise, in so far as the main question of the development of the railway systems of India is concerned, should hereafter cease to be placed in the hands of private companies or be subject to all the complications, to all the burdens and all the injustices to which we have been subject on account of the past policy of the Government. I am, Sir, here concerned only with the question as to what extent the enterprise of Local Boards in regard to this railway construction and development has been encouraged or discouraged by the Government of India and the Railway Board. As I have said, District Boards in my province have been seriously discouraged. I am bound to say that the Government's present Resolution, far from helping District Boards in the solution of this problem, has left the matter exactly where it was and as undecided as it ever was. They have given them no light or leading nor have they held out to them any prospect of being able to satisfy the just expectations which they formed and on the faith of which they had built up their own railway policy.

Sir, we have been told that in respect of the Railway Budget this House should treat it from a point of view different from that of the ordinary Budget. At the same time, we have been told that the convention by which railway finance was separated from general finance was intended really to give greater facilities for this Assembly to give expression to its views and to enable the Government of India to give effect to the policies and opinions which this House may from time to time express. The main question whether this Assembly possesses or should possess the power to control the railway policy of the Government of India is a question upon which, I am sure, no convention is required. Either we possess the control under the present Government of India Act or we do not possess the control. If we do not possess it, the convention will not give it. If we possess the control, no convention on the part of the Government of India can take away that control and if it is intended to take away whatever little control we may have, I say, Sir, that convention will stand self-condemned. I take it, then, that that is not the position of the Government of India and therefore it is I claim that, so far as this Assembly is concerned, the

control which this Assembly ought to exercise over this question of branch line construction and over the question of railway enterprise on the part of District Boards is a matter upon which the opinion and decision of this House ought to have been taken before this Government Resolution was issued. I say so, Sir, because this matter of the unsatisfactory nature of the relations of District Boards with the Railway Board in respect of railway construction, has been a matter which was before the local Legislative Council in my province repeatedly on many occasions and the opinions of the representatives of the people of Madras in that Council have been conveyed to the Railway Board on many occasions. In spite of that, the Railway Board far from bringing up that matter for decision before this House now merely say that they placed this policy of leaving the construction by Companies of branch lines alone before the Advisory Board and have issued this Resolution merely on the strength of an opinion obtained from this Advisory Board, under circumstances, I do not know, what. I say this, Sir, because I find that the Resolution itself, so far as the question of District Boards is concerned, has left the matter in as great a doubt as it ever was. The result of leaving this matter in such great doubt is to hold up railway construction and development by District Boards in the same way in which it has been held up for the past 20 years. The Acworth Committee itself has referred to a case, in which a small extension of a branch railway by a District Board in the Madras Presidency was held up for over 10 years on account of squabbles between the railway company and the District Board as well as the Railway Board. That state of things Sir is very unsatisfactory and this Resolution has not improved matters.

My friend Mr. Moir yesterday was telling me—I am sorry he is not here in his place—he was telling me that I came down here to pipe, after a journey through the big gigantic railways they have constructed for us. I may assure my friend that I am not come here to pipe but to do my duty to my countrymen and to my constituents in the Tanjore and Trichinopoly districts where those railways have not been constructed. I am not here, Sir, to pipe my time. I am not one of those people of the Civil Service who have come here to record their votes like semaphores on the Railways and who have come up to add to the voting strength of the Government. On the other hand, I am here to voice the grievances of my constituency and I am not here by the favour or by the orders of any particular governmental authority in this land. Therefore, it is that I deem it my duty to say that in this matter of railway construction my districts are very much handicapped. The sole question on the matter of principle is this. I accept unreservedly the policy of nationalisation of Railways. But taking the question of nationalisation as a general issue, I would put it to the House whether this question of nationalisation is not divisible into two parts, namely, State ownership and management of the main arteries of communication and the municipalisation, if I may put it, of all feeder lines, tramways, light railways and the rest. If the policy which was adopted by this Assembly was sound on the question of the main lines of railway communication of the land, I say it follows as a natural consequence that the policy of municipalisation of tramways, light railways and feeder lines ought to be one which should commend itself to the Government and to this House. From that point of view I say the Government of India have yet to approach this question. At the time when the Government of India Act was passed in 1919, Government affected to treat this question on this basis and in accordance with the Devolution Rules framed under section 46A and in accordance with the recommendations made by the Functions

[Mr. A. Rangaswami Iyengar.]

Committee, they said that Local Governments could thereafter take charge of provincial railway construction and permit municipal and local authorities to construct light railways, tramways, and feeder lines—"extra-municipal tramways", those are the words used—and that these lines could be promoted and carried out by means of private legislation in the several Legislatures of the provinces. I want to know what the Government of India have done to carry out this essential part of the reform scheme. They have left it where it was. On the other hand, the previous position was that under the Local Boards Act in my province, and as I am told, in certain other provinces, the local authorities were given full power to construct railways as well as tramways and feeder lines as part of the discharge of their statutory function of improving communications and also as part of the means by which they could improve their resources. When that was the state of the law and on the strength of these powers which they possessed under that Statute, the District Boards in my province proceeded to levy a special cess for the purpose of railway construction. But lots of difficulties were imposed before they were permitted to launch upon railway construction. Eventually the District Board of my district, Tanjore, persisted in its efforts and succeeded, thanks to the efforts of one of the great railway experts of this land, Sir Francis Spring, in laying down nearly 120 miles of railway in that district. It then proceeded to launch upon other schemes. I find in a report which has been prepared for the use of the Government of India by one of its experts who travelled in my province, these small projects, which the Tanjore and other District Boards intended to carry forward by means of a special cess and by means of loans which were to be floated on the guarantee of that special cess, numbered as many as 35. There were 26 projects in one group in the province and 9 projects of a purely subsidiary character, and of these as many as 12 are in my own district where they have put up the money necessary for the purpose of starting construction. We have been waiting for the sanction of the Railway Board, we have been asking them for light and leading, but they have given nothing. At the time the war broke out there was a line, a very important line—what is known as the Dindigul-Pollachi line which is now to be made part of the general system of the Government of India—which was about to be floated and carried out by the efforts of three District Boards jointly. That project was turned down at the instance of a private company in Madras which sought to compete and take away the rights which the District Boards claimed for themselves. In the meantime, war conditions intervened and that railway project could not be carried out. The result of it was that at the end of the war so many new conditions were said to prevail and the Railway Board said that they were examining the new conditions. They went on for years examining the new conditions and the railway projects still hung fire. Eventually, they sent down a special expert to study these things and make a fresh report. What does this report say? It merely says that so far as the lines which are paying and for which the District Boards have funds already at their disposal were concerned, they should be made a part of the Imperial scheme of railways, and as regards the other lines they may be given over to them. The effect of this decision which was tentatively communicated I am told to the Madras Government is this, "Heads I win, tails you lose." Sir Arthur Knapp the Member in charge of this matter in the Madras Government said in effect: "The Government of India have told us in effect that whenever a railway is paying they will take it over. Whenever a railway is not paying they say you had better construct or we will construct it for you, but you must

foot the loss." That is the policy which they told the Local Governments that they should adopt. (*The Honourable Sir Basil Blackett*: "Why not?") That is what he said. I have got his statement. I shall read it:

"My Honourable colleague has suggested that I should answer this question. As far as I can see, the position is fairly clear. The Railway Board have made a new declaration of policy. They have stated that in regard to lines which are likely to pay they would construct them themselves. In cases where it will not pay they wish us to take the financial responsibility."

(*The Honourable Sir Basil Blackett*: "Quite right. Why not?") That is not the question. My question is, why should you take the gains and not the Provincial Government? That is the question you ought to discuss and settle with them.

I shall not deal with the question as to what the law now is. As I have told the House, we do not know what the position is. There was a section in the Madras Local Boards Act which enabled the District Boards to levy a special cess for the construction of these railways. That section has been, at the instance of the Government of India, removed when the Local Boards Act was revised in my province a few years ago. But at the same time, they did not take away from the Local Boards the power to construct these lines, and now when the Local Boards apply to these people to construct lines for which they had already put up the money, they are told, "You are not to construct these lines until we permit you." The present Resolution of the Government of India on that matter is, I repeat, as unsatisfactory as ever. The Resolution in paragraph 15 says:

"In other words, the normal procedure will be the construction by the Government of India, or, at its cost, by a Company, of a branch line which a District Board or Local Government desires to have constructed and is prepared to guarantee. But, should the railway programme not permit the construction of such a line within a reasonable time, the possibility of permitting a District Board or Local Government to construct it from its own funds would require consideration."

That is exactly where we were before. What is the new thing that you have done in this matter? Sir, assuming for the sake of argument that, so far as the main lines of communication are concerned and those lines which depend for the traffic of the main line upon such branch lines as are essential to it are concerned, they should be run, owned and managed by the central authority, what is there in the way of the Central Government coming to the rescue of the local authorities and the Provincial Governments in developing the light and feeder lines, the extra-municipal and municipal tramways in our provinces? It has to be recollected that the Local Governments do not possess the army of railway and transport experts which the Government of India for themselves are adding to in such profusion. The Local Governments have necessarily to be guided by the Railway Board and the Railway Board always marks time over these matters. The Railway Board has done nothing. Now it has launched on a development of the railway programme in respect of lines which the District Boards have after trouble and investigation found to be profitable and these are immediately being taken over without the smallest compunction. I ask, Sir, what is to be the fate of the funds which the Local Boards have put up? Have you given them any guidance in the matter? Have you told them what to do with the funds? Again, what is to become of such lines as the District Boards now own and which you want to be treated as part of the main system? Are they to continue to own and manage them? Are they not to continue to be entitled to the profits thereon? You have said nothing on all these matters. But you will not

[Mr. A. Rangaswami Aiyangar.]

allow them to proceed further. Apart from the main projected lines the Railway Board are to take over, there are at least 9 lines in my district alone which have got to be laid down. The Railway Board and the Government of India apparently do not propose themselves to launch on them in the near future. So far as these are concerned, what are the local authorities to do? Have you told them anything about those lines? You have said nothing. Then, again, you have got this law which says that light railways, tramways and feeder railways are matters upon which the Provincial Governments can proceed to function. I do not know what these light railways are and what these feeder railways and tramways are. No definition is given and, so far as I have been able to discover, I have not been able to find out what the distinction is between a light railway, a feeder railway and a tramway. The only definition that I could get at is from one of the old English Statutes and that says that light railways are those on which engines and carriages of no greater weight than 8 tons may be brought on to the rails by any one pair of wheels and the speed of trains is not to exceed 25 miles an hour. If that is the definition, then much of the South Indian Railway as worked at present would be a light railway. Therefore, we want to know what is your position in this matter and we say that after all this trouble taken by our Boards you have done nothing for us and it is up to this Assembly to mark its sense of displeasure and dissatisfaction at the manner in which the Railway Board have been toying with this question and toying with the rights and expectations of District Boards in my province. The Railway Board therefore in my opinion, unless it promises to take immediate steps to rectify this state of things, not only deserve censure for what it has done in the past but deserves to be censured for what it may do in the future. I do not want to overload my arguments but I merely want to say that in this matter the position of the Railway Board is absolutely indefensible. I therefore commend my motion to the House.

Mr. W. S. J. Willson (Associated Chambers of Commerce: Nominated Non-Official): My friend Mr. Rangaswami Aiyangar has dealt with the policy of the Government in regard to District Board railways and I wish for one moment to focus the discussion on private enterprise. I shall touch later upon how it may affect District Boards. I want to make it perfectly plain to the House and to the Honourable Member opposite that I have not risen to-day to ask him to reverse the policy of the Government as expressed in the communiqué, No. 2131-F., recently published in regard to the revision of branch line terms.

I will start by remarking that there is a dividing line between tramways and railways. In the old days we had horse trams. They were succeeded by steam trams, then by electric trams and then we come to the light railway which runs along the side of a road instead of down the middle, as a tram does on tramway lines. Neither the communiqué nor the speech of the Honourable Member makes any reference to the question of these small lines and I would like to know what the policy of the Government is to be in regard to them? They cannot be called branch lines and I do not call them feeder lines though they may, as tramways usually do, run their termini towards a terminus of another larger railway. If I look to the speech of the Honourable Member, it is to draw the conclusion that he is opposed to all private enterprise in the matter of railways, whether they be large or small. He pointed out in the communiqué, paragraph 7, that

the branch line companies, (and here I merely use his wording, branch line companies, because the same argument applies to the companies of which I speak though they are not branch line companies), usually borrow money at heavy rates of interest. This I think is not proven, merely because, like Government, they have to borrow money at the market rate and at times it may be 7 per cent. when I have known Government borrowing at 6½ per cent. In paragraph 9 of the communiqué it says that:

“The only real argument in favour of these companies is that they must be utilised in cases where the Government itself is unable, etc., etc.”

Therein we find a recognition of the fact that “they must be utilised” and that is the only recognition of their utility I do find. The same paragraph proceeds to say that the amount of assistance given by companies in the past is trivial. Sir, I will not stop to labour the point whether the amount subscribed for branch line companies is the 10½ crores stated in this communiqué or the larger figure of 25 crores for assisted railways of which I have the details. The point is not important whether it is only 1½ per cent. of the total railway capital at stake in the country or 4 per cent., the point that is important is not the percentage to the total capital but the fact that it is 100 per cent. of the capital engaged in railways in the districts where these lines exist. Where these lines exist they undoubtedly are of benefit to the country and to the inhabitants there. They undoubtedly add to the rates and taxes which are collectible. I have heard it said that many are duds and that the policy of the Government should be to take over the successful ones. That policy, I think, is wrong. It has been stated in this House, and I do not remember ever hearing it contradicted, that it is no part of the duty of the Legislature to protect the dividends of shareholders in any company. My point is that where these lines exist it is no concern of ours whether they pay the shareholders or not. It is natural that, if a company was floated on a 4 per cent. basis, when money is worth 6 per cent. it should have sunk to Rs. 66 per Rs. 100 share, but that price is not a criterion of the success or otherwise of the railway. It is merely the barometer of the money market. Without private enterprise India would have had to wait a great deal longer than it had to wait for some of its most important railways. The Bengal and North Western Railway I believe owed its inception to private enterprise and the Bengal Nagpur Railway may be quoted as another instance, though of course subsequently these railways are intended to pass into the hands of the State. My objection to the communiqué and to the Honourable Member's speech is there is no recognition of private enterprise as such, and unless I take this opportunity of calling attention to it, I am afraid it may be thought that the policy is to kill all private enterprise. I am not urging private enterprise *versus* State enterprise. That is no part of my argument at all. I am satisfied with the present policy of the Railway Board and with the present constitution of that Railway Board so far as enterprise and energy go, but Sir Charles Innes himself reminded us the other day that we have only a short lease of his services and it may not be that his successor or successors, for I look quite a long way ahead in this matter, may be men of the same energy, enterprise and farsightedness as himself. But if it be laid down, if we allow them to lay it down, that private enterprise is to be discouraged and the Government are to take over such of the railways as they are pleased not to consider duds, private enterprise will be snuffed out. Now, Sir, as I said, I am not urging for private enterprise as against State. The only

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policy I am urging is that if private enterprise puts forward sound schemes which the Government do not propose or do not see their way to undertake,

1 P.M. when private enterprise should be allowed to carry them out and be given every possible facility and inducement to do so. That is the policy which I would like to see favoured, because I view with considerable concern paragraph 17 of the communiqué which says:

"The Central Government must however retain the power to decide whether a line is to be built or not."

That means that if the successors of the present gentlemen of the Board are not prepared to move at the pace that this House wants, which districts want, we shall be in their hands, and we do not want to be in their hands solely and wholly so that, with this railway monopoly, the Government would be the single and final judge as to whether a railway should be built or not. As Mr. Rangaswami Iyengar said a little while ago, I will not repeat him at any length—the policy in regard to District Boards is open to considerable doubt. At the end of paragraph 15 it says:

"Should the railway programme not permit the construction of such a line within a reasonable time, the possibility of permitting a District Board or Local Government to construct it from its own funds would require consideration."

Now Sir, there you have it. If the Government are unreasonable, the District Board or Local Government "may construct it from its own funds", and they might be just the very people who would like to employ private enterprise.

Before I sit down Sir, there is just one other matter to which I would like to refer arising out of some remarks which were made in this House yesterday. I heard with the very greatest regret the statement made by Sir Basil Blackett that in filling the next vacancy on the financial side of the Railway Board the scales would be heavily weighted in favour of an Indian. That statement is sure to receive considerable publicity and it will cause

The Honourable Sir Basil Blackett: On a point of order, Sir, as that statement is going to receive publicity may I say that what I said was "definitely weighted".

Mr. W. S. J. Willson: Very well, Sir, definitely weighted. That statement is sure to receive considerable publicity and it will cause wide dissatisfaction in the public service if it is to be taken at its face value. I ask seriously whether this is to be the policy of the Government. It is contrary to my sense of fair play; it is inimical to the production of the best that a service can create . . .

The Honourable Sir Basil Blackett: I would ask if this is relevant?

Mr. Deputy President: I was going to say, when the Finance Member took his point of order, that I am sure the Honourable Member will find some other occasion to make these remarks. It is hardly relevant to the subject of branch lines. He must bring his remarks to a close.

Mr. W. S. J. Willson: I have only one word more to say.

Mr. Deputy President: I have asked the Honourable Member to reserve that for another occasion.

Mr. Darcy Lindsay (Bengal: European): Sir, my sympathies are entirely with the views put forward by my Honourable friend Mr. Willson and also Mr. Ranganaswami Iyengar on this question of feeder lines. There is another point which has not been directly touched upon which I would like to make. As far as I understand the position, the Railway Board undertake to contribute to central revenues interest on capital expenditure at a rate of one per cent. after themselves paying interest at the rate of Government borrowing at the time. I believe the rate of interest at present is about 5 per cent. and the total charge, including contribution, would therefore amount to 6 per cent. Is it intended that Local Governments and Local Boards who may desire the construction of new lines are to guarantee this six per cent. on the capital expenditure, or only the rate at which the money is raised? The reason I put this question is that I find in at least one case of proposed new construction the Local Government are asked to guarantee six per cent. In this particular case, Sir—it is the Shoranur-Nilambur Railway—it is stated that “in view of its unremunerativeness,”—it is put down as not likely to yield a return of more than four per cent. a few years after opening,—“judged by the criterion which we now apply the Local Government have agreed to guarantee the railway against loss in working by making up the difference between six per cent. on the total capital outlay and the net earning of the line.” If it is intended to apply this principle, then I say, Sir, that railway expansion will be seriously retarded, and it were better to allow Local Boards to make their own arrangements in the best market. The terms are not likely to be so onerous as a guarantee of six per cent.; and where there is a guarantee the Local Board takes a share of the harvest. But I see nothing about this in the Railway Board’s terms. In regard to the harvest I would refer to some of the light railways managed by a firm such as Messrs. Martin and Company of Calcutta. On examination I find that the terms are usually on a four per cent. guarantee. The Local Board allow free running over their roadways, or partly over their roadways and they are to receive from the light railway company 50 per cent. of the profits over and above the four per cent. Now, in quoting figures for 1922-23, I find in the case of the Arrah-Sassaram Railway, 65 miles in length, the District Board received Rs. 18,312; in the case of the Baraset-Basirhat Rs. 31,930; Bakhtiarpur-Bihar Light Railway, Rs. 12,215; Howrah-Amta Rs. 88,375; Howrah-Sheakhala Rs. 6,631. I think there are perhaps two or at most three cases where the District Board have to contribute a sum up to the 4 per cent. Take the case of another railway, the Delhi-Shahdara-Saharanpur, which is under no guarantee at all. I believe it cost the Government something like 2 lakhs of rupees to give the land or a part of the land. I find the Government are receiving a share of the surplus over four per cent. They received last year and the year before I believe Rs. 1,05,000. That appears to be the annual contribution to the Government from this railway which has cost the Government two lakhs of rupees in land. Now, Sir, I maintain that some of these lines would never have been built but for the enterprise of private firms who raised the money on ordinary shares. We are told that the cost of borrowing money is great. I deny that. In almost every case the money has been raised on ordinary shares, and it is the risk of the shareholders as to whether they receive a good dividend or not. In perhaps it may be four cases I think, at most five, some of the money has been borrowed on debentures; in one case at 4½ per cent. interest. Now

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with regard to these lines I have just referred to which were guaranteed by Local Boards, I maintain that they benefit the Local Boards, they benefit the people living in the country through which they pass, and they benefit the shareholders who risk their money; and I further say as I said before that but for this private enterprise, these lines would never have been built. I believe that a good deal of the money is local money, any way it is Calcutta money for the greater part. (Mr. W. S. J. Willson: "Bombay also.") Now, Sir, the Financial Commissioner—may I say our Shylock from Aberdeen,—who wants his pound of flesh, is over keen on securing a good bargain and his standard appears to be a return of seven per cent. on the capital outlay. This is in accordance with many of the schemes that have been put before this House. If he sees a clear seven per cent. in the course of ten years, let the scheme go through. (Mr. C. D. M. Hindley: "Why not?") Exactly, why not? I say certainly every time, but the point is that if the scheme does not show seven per cent., out with it; and that is where I say, Sir, that private enterprise will come in. Companies do not look at things from the Shylock point of view, (Mr. C. D. M. Hindley: "Oh, oh.") they are ready to construct on the chance of making a good return. (Mr. C. D. M. Hindley: "13 per cent.") My view is that they should be encouraged in doing so. It is a grave mistake to shut the door on this private enterprise, and if a firm or a company comes forward and says, "We are willing to build this line, we do not want your guarantee", why should it be refused? That is the point I have to make. I referred to this matter once before at a Board meeting, and I said very strongly that it is a mistaken policy to absolutely shut the door. I do not advocate the continuance of the branch line system. I fully recognize that the terms that were agreed to by the Railway Board or the Main Line Company, namely, 50 per cent. are insufficient; I believe the charge is fifty per cent. of the earnings, and the Main Line cannot, we are told, work it on anything like that figure. I do not want railways to be sanctioned on those terms; and these branch lines are not the ones that I particularly refer to. I refer, as Mr. Willson did, to some of the old feeder lines that are nothing more or less than glorified tramways that would not be constructed by Government—they serve a very useful purpose, and in addition to passenger service they bring in freight to the main lines at their terminus. On these grounds, Sir, I strongly support the motion of the Rs. 100 reduction.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): I feel, Sir, that I owe a duty to this House and that I should inform them that this same subject was discussed very exhaustively at a meeting of the Central Advisory Committee, and there was a division on that discussion. The whole of the discussion, Sir, at that meeting of the Central Advisory Committee was concentrated absolutely on the question referred to by my Honourable friend, Mr. Willson, regarding branch lines as they are known. Before I deal with that part of it I would like, Sir, to refer to the subject raised by my Honourable friend from Madras, Mr. Rangaswami Iyengar, in his amendment. We were informed at the Central Advisory Committee meeting that the Local Governments had approved generally of the suggestions of the Government of India, and paragraph 18 of the press Communiqué says that they had been generally welcomed by the Local Governments. I wish another Honourable

Member from Madras, Mr. Moir, was in his place here to-day to inform us on behalf of the Government of Madras as to whether the particular opinions they hold differ from the views put forward in this press communiqué. In the Central Advisory Committee, Sir, there was no discordant voice; and as far as the point of view of Mr. Rangaswami Iyengar is concerned, that was not submitted to the Central Advisory Committee and they therefore had no reason to doubt that the decision that was being come to by the Government of India was absolutely in keeping with the requirements of Madras. If I remember it correctly, it was also mentioned—I speak subject to correction—that in Madras this subject is under a Minister, and if that be so, if an elected Minister who is responsible to the Council in Madras has approved of this scheme, it would hardly be right either to find fault with the Government of India or with the Railway Board over a scheme which has met with the approval of the Governor-in-Council of Madras acting with the Minister in charge there. I therefore submit that as far as Mr. Rangaswami Iyengar's point is concerned, the debate, which will be on record, will be very useful for us when next time any concrete scheme comes up before the Railway Board for the purpose of a definite move in the direction that Mr. Rangaswami Iyengar has so much at heart. Paragraph 15 of the Press Note still says that when the Railway Board is not able to take up a scheme which is required by a District or Local Board, it is open to consideration whether the District Board should not be allowed to construct it; and as far as the Members of the Central Advisory Committee are concerned, I am sure Mr. Rangaswami Iyengar will take it that the point of view that he has put forward will receive very careful consideration in our Advisory Committee. Now, Sir, coming to the other point raised by my two Honourable friends here, Mr. Willson and Mr. Darcy Lindsay, the Central Advisory Committee came to the decision which has been notified in the Press Note. I was one of those who voted with the majority that the Government of India view was correct, and the view pressed here by Mr. Willson and Mr. Darcy Lindsay and which was originally pressed by the Associated Chambers was one which could not be accepted and which I rise again to-day to submit to this House that the Assembly should not accept. I, Sir, wish to read one or two sentences from the two considerations which led the Acworth Committee to definitely decide that branch lines should not be encouraged.

Mr. W. S. J. Willson: On a point of order, Sir, may I remind the Honourable Member that I was not advocating the cause of branch line terms?

Sir Purshotamdas Thakurdas: That is, Sir, the amendment, and I take it that Mr. Willson was meaning nothing else—it is something which I at any rate have not been able to catch. I wonder if anybody in this House has been able to understand what his amendment refers to if not to branch line terms—the policy of the Railway Board in regard to branch line terms.

Mr. W. S. J. Willson: On a point of further explanation, Sir, I think I explained what I meant by using the words branch line terms.

Sir Purshotamdas Thakurdas: I take it that the Railway Board and the Central Advisory Committee are still using the words "branch line terms" in the same sense in which the Acworth Committee used them, and if Mr. Willson attaches any other meaning to it, I am afraid he

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will have to bring that out; and I submit that if the term "branch line terms" referred to in his amendment is different from the one which is understood by the Railway Board and the Central Advisory Committee, that amendment is out of order.

Mr. W. S. J. Willson: I submit again that I was not discussing the question of branch line terms at all.

Sir Purshotamdas Thakurdas: I then submit that he was speaking irrelevantly because the amendment refers to the Government of India policy regarding branch line terms. If therefore, Sir, Mr. Willson was speaking irrelevantly, I have nothing more to say and I shall resume my seat. Will my Honourable friend enlighten me? May I take it, Sir, that Mr. Willson was speaking irrelevantly and I will resume my seat. However, let Mr. Willson not say that he is not pressing for exactly that which the Government of India have rejected in the form of a request from the Associated Chambers. Is he not asking the Government of India to go past the unanimous decision of the Acworth Committee? Let me, Sir, put my point of view again for Mr. Willson's benefit to the House. The Acworth Committee say:

"The Mackay Committee 14 years ago said India needed 100,000 (miles). But if the extensions are to be made by scores and hundreds of little independent companies, the resulting confusion will be inconceivable. Naturally each company, small or great, desires to reserve for itself what in the diplomatic world is called a sphere of influence, and jealously claims that, if any new-comer intrudes into that sphere, he shall pay toll to the original concessionaire. Take the case of two main lines, starting out alongside Bombay or Calcutta, and gradually diverging from one another. When they are at distance of 200 miles from the terminus, at which point the two lines are 50 miles apart, there is a station on line A. Halfway from this station in the direction of line B there is a point of some local importance. A branch line is made to it and the local point develops. Thereupon the proposal is made to connect up this point with a corresponding station in line B, and a new branch line company is provisionally organised for the purpose. Difficulties at once arise. The old branch line company protests that the local point is within its sphere of influence, and main line A follows suit with a claim that it will lose the contributive value of the branch line traffic. How much attention the Railway Board pays to these protests must of course depend upon the facts of the individual case. But they are sure to be made. Sometimes they will prevail. And in any case they unnecessarily complicate a situation which ought to be considered solely from the point of view of the public interest."

And thus, Sir, it goes on. I strongly recommend paragraph 179 to anyone who still thinks that branch line terms are most needed for India. The conclusion of the Acworth Committee was this. I will read the last line.

"We therefore feel bound to record our opinion that if the State cannot and will not provide adequate funds private enterprise in this direction should be encouraged."

We should now therefore consider whether the State can and does provide the capital required or not. No one has yet moved an amendment that the State should not provide that capital which is required and until, Sir, any such decision is taken by this House, I submit that there is no justification for changing the decision arrived at by the Government of India in absolute keeping with the unanimous recommendation of the Acworth Committee. My Honourable friend Mr. Darcy Lindsay said that the guarantee is only 4 per cent. That was years back when the Government

of India raised money, Sir, at $3\frac{1}{2}$ per cent. May I ask my Honourable friends from Calcutta who stand up and recommend this House to go past this decision of the Government of India, whether they think that such capital can be got now from the market at a guarantee of $3\frac{1}{2}$ or 4 per cent. when the Government of India have themselves got to pay 5 per cent.?

Mr. Darcy Lindsay: Then why raise it on this to 6 per cent.

Sir Purshotamdas Thakurdas: That is the whole point. Why should the Government of India be compelled to guarantee 6 per cent.?

Mr. Darcy Lindsay: I do not want the Government of India to guarantee.

Mr. W. S. J. Willson: We have both said that as hard as we can.

Sir Purshotamdas Thakurdas: It comes to nothing short of the Government of India guaranteeing. It is the main line which guarantees out of traffic and the main line belongs to the Government and therefore to the tax-payer; the guarantee therefore comes from the Indian tax-payers' treasury, Sir. Let us not play with words, Sir. Surely that is what my Honourable friends mean and it is no use trying to put other Members of the House who do not understand these intricacies on a track which may not be correct. Now, it is the Government of India guarantee in one form or another being a *sine qua non* of branch line terms that is the strongest reason why this House determined upon State management. The whole thing belongs to the tax-payers of India in the shape of the East Indian Railway of last year with a capital of 1 per cent. from shareholders, of another railway with a capital of 5 per cent. from the shareholders, of another railway with a capital of 10 per cent. from shareholders. Therefore whoever guarantees, be it from the Eastern Bengal Railway, the East Indian Railway, or the Oudh and Rohilkhand Railway, it means the money of the tax-payers of India. Let us not play with words and let us at least be clear.

Mr. W. S. J. Willson: Will the Honourable Member say when I played with words and asked for any guarantee?

Sir Purshotamdas Thakurdas: That was in reply to my Honourable friend Mr. Darcy Lindsay. The guarantee is the guarantee of the Government of India.

Mr. Darcy Lindsay: I was referring to the guarantee that has been given by the Government of India, in certain cases $3\frac{1}{2}$ per cent. and 4 per cent. in others; that is the guarantee that I referred to.

Sir Purshotamdas Thakurdas: I say, Sir, that they could raise money by private enterprise with that guarantee when the Government of India themselves were borrowing at 3 per cent. The Government of India are now paying 5 per cent. I hope the next loan will be $4\frac{1}{2}$ per cent. Does my Honourable friend seriously tell me that the Government of India will in the next few years be in a position to get any money at that old rate of $3\frac{1}{2}$ per cent.? I submit, Sir, that is the consideration, namely, that the Government of India would have to agree to a higher rate of guarantee either through the Railway Department, or through their main

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lines, but at the expense of the tax-payer, in order to encourage private enterprise.

Two Honourable Members during the debate on the Railway Budget in the other House criticised the branch line policy of the Government of India. On what consideration was it? They said, "You are taking away from the investing public one of the most remunerative forms of investment". I ask my Honourable friends here whether the Honourable Sir Mameckji Dadabhoy and the other Member were wrong? Is it not the same thing that they are pleading before this House? They are practically asking this House to provide to the investors a form of investment which would be more attractive than the Government of India paper. That, Sir, is the whole proposition put in a nutshell. Let the House take its decision.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly reassembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Sir P. S. Sivaswamy Aiyer (Madras: Nominated Non-Official): Sir, when I came to this House this morning I had no intention of participating in this debate about the policy of Government with regard to new branch lines. There was a time when I myself was of the opinion that the Railway Board was very illiberal in its attitude towards District Board lines. But I think there has been a change of heart in the Railway Board and that the policy which they have now announced with regard to the construction of new branch lines is a sound one. On behalf of the District Boards there are arguments in favour of the proposal that new branch lines might be allowed to be constructed by District Boards. The District Board of Tanjore to which reference has been made by my Honourable friend Mr. Rangaswami Iyengar has been making a very considerable amount of profit by its district board line, an element which is not altogether negligible and to which the inhabitants of the Tanjore district are very keenly alive. It is also our experience that the district board lines in the district of Kistna have been of an exceedingly remunerative character. One reason why the District Boards in the Madras Presidency were very anxious to construct branch lines was the hope that they might be able to add to their somewhat exiguous resources by the profits of their railway undertakings. Another reason is the desire to open up communications in those parts of the district which have not been adequately or at all served by communications. While I fully conceive the force of these arguments, I do not think that there can be any reasonable doubt that on the whole the policy which is now announced by the Government with regard to the construction of new branch lines is the soundest. But there is one matter in regard to which an apprehension has been expressed by my friends and that is that the Railway Board might undertake the construction of the more paying projects and neglect the construction of the less paying projects and that, in calculating the amount to be provided by the District Board as a guarantee against any loss incurred upon the execution of their Railway schemes, the Government might pursue a policy not altogether unfavourable to the interests of the Districts. I want to make a suggestion in this connection which, I think, might relieve the appre-

hensions of my friends on the one side and, on the other, cause no injury to the general public interests of which the Government are in charge. My suggestion is that, in calculating the amount of the guarantee to be provided by the local authorities against any loss incurred upon the railway programme of the district, they should pool together the profits and losses upon the paying and non-paying lines in the district which the Government might construct. Supposing a District Board had 4 schemes 2 of which were paying and 2 of which were non-paying, the Railway Board ought to construct all the four lines if so desired and in making a demand upon the local authority for a guarantee against the loss, they should take the profits and losses of all the 4 lines into consideration and make a demand upon the net amount of the loss or deficit which they might incur. I submit, Sir, that this course is one to which no exception can be reasonably taken by the Government and I hope that it will find favour with the Government. At the same time, it will allay the apprehensions of my friends that the Government will only be taking all the paying lines and leaving the non-paying lines to the enterprise of the local authorities. I hope the Government will see their way to accept the course I have suggested or adopt some other equally suitable formula.

Mr. Harchandrai Vishindas: Sir, with regard to the question of feeder or branch lines which is the subject of the present motion, I want to address you with respect to one particular aspect of the question in connection with my province of Sind. The province of Sind contains only one main railway line from Karachi up to the north with a loop line between and it is sadly in lack of communications. Time after time the Governors and the Local Government have been approached for the construction of feeder lines, because wherever these feeder lines have come into existence there has been a great development of trade and great convenience to the public. There have been some feeder lines constructed by a private company. Now, after the adoption of the new policy which was formulated in the communiqué on feeder lines supplied to us and of which we heard something in the speech of the Honourable Member in charge, the policy of guaranteeing private companies has been scrapped by Government. I have nothing to do with the fact as to what agency is employed for the construction of these lines. There is such a vast area of undeveloped country in my province that it requires to be developed by means of these feeder lines, or branch lines or light railways whatever you choose to call them. When the fact of the paucity of communications, even in the shape of good roads, was brought to the notice of His Excellency the Governor of Bombay about two years ago, he suggested the adoption of feeder lines or tramways. Well, I have been approaching the Government of India and the Railway Board in this regard. The Railway Board say in reply that the policy of giving guarantees to companies is wrong as it throws a burden on the State finances and therefore they intend to discontinue it. They would, however, be quite prepared themselves to build any line that was considered remunerative. I am quite content with that policy but I say for God's sake do have these feeder lines constructed in my province without the least delay. Now, if anybody looks at the map of the railways which has been presented to us with the report of the Railway Board, he will find that even so far as Madras is concerned, for the shortcomings whereof in this regard the Honourable Mover of this cut has inaugurated this debate, it will be found that it has got a complete network of railways as compared with Sind, where there is only the one line which runs from Karachi to the north, to

[Mr. Harchandrai Vishindas.]

which I have already alluded. Besides there are no good roads. Therefore, I appeal to the Government to see that these feeder lines are constructed in my province especially one feeder line about which there has been a great demand on the part of the public of that area, namely, the Udero Lal-Sakrand feeder line. I would ask the Government to take the construction of this line in hand soon. It will be a remunerative line. It will open up the district; it will bring forth a great deal of produce to the markets; it will bring increased land revenue to Government; and be the source of great convenience to the country side. These are my only remarks with regard to the motion that is before the House.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna: Non-Muhammadian Rural): Sir, I should like to say a few words in connection with this very important subject of branch lines and on the question of the broad policy of the Government of India in the development of subsidiary communications. I raise this question, Sir, on the general debate, and I would ask the Honourable Member to let us know exactly what the position is in regard to the development, as I put it, of communications subsidiary to the main lines. Sir, in regard to this motion, we in Southern India have suffered a great deal on account of the fact that the development of railway communications in that part of the country was placed entirely in the hands of two companies which have had it all their own way in the past. Honourable Members are aware that the whole of South India is now in the hands of the South Indian Railway and the Madras and Southern Mahratta Railway. In Madras during the last 20 years District Boards have taken considerable interest in evolving schemes of railway communications in each district, and 8 districts levied Railway cesses and have accumulated a sum of nearly one and a half crores by way of cesses. Definite schemes were drawn up and surveys were completed at the cost of the District Boards. Some of the districts had thus definite railway development schemes which they have put forward for years, but on every occasion on which the District Boards put forward their schemes these two very influential railway companies have blocked all these development schemes during the last 20 years. This matter formed the subject of considerable complaint before the Acworth Committee. In the district which my Honourable friend, Mr. Rangaswami Iyengar, represents in this Assembly, it may be stated that there are now 9 projects, apart from those which have been put on the Imperial programme this year, which are still awaiting construction. These 9 projects are:

- (1) Vedaraniyam to Point Climere,
- (2) Mannargudi to Tiruturaipundi,
- (3) Arantangi to Kambamkadu and Pudupatti,
- (4) Negapatam to Tiruturaipundi,
- (5) Lower Anicut to Kumbakonam and Nidamangalam,
- (6) Tanjore to Vallam and Candarvakottai,
- (7) Tanjore to Tiruvadi,
- (8) Papanasam to Nannilam *via* Valingaman and Kodavasal,
- (9) Arantangi to Manamelgudi.

Sir Charles Innes is acquainted with the locality. Most of these schemes have been pending consideration and sanction for the last 10 or 12 years at least. And some of these have been deliberately held up

because the construction of some of these lines, though they were necessary from the point of view of the public, affected the receipts of these companies by short circuiting. I may mention Vedaraniyam to Point Cliniere by way of illustration. If this line is constructed, it will connect the district to a seaport into Tanjore District and there will be considerable improvement of traffic from Tanjore district to Ceylon. The South Indian Railway deliberately blocked this line for the purpose of diverting the district traffic to their own line. Sir, therefore I think that this question of district development is much more complicated than it appears to be on the surface. I do not know the policy of the two main railway companies but it is only natural that the construction of some of these lines should be looked at by them from their own standpoint. If the Government of India, no doubt with the consent of these railway companies, pick and choose these lines and neglect other less paying lines, the schemes of these District Boards will not be carried out. The question which the Honourable Sir Charles Innes has to consider is whether in the carrying out of these projects the good and bad lines ought to be taken together and that the Government should carry out the district schemes which have been developed during the last 20 years. With regard to the questions which arise on this Resolution, I may say in connection with the district with which I am connected, we had two schemes which illustrate the position clearly. We had two schemes the Nedadavole-Narsapur line and the Gudivada-Bhinavaran line. One of these is a very paying line, just the same as the Masulipatam-Bezawada line, which runs through the centre of the Kistna delta, and it is certain that it will pay as well as the line which we have already put up. The other line, which is a connecting line on the metre gauge system, would not be so remunerative. The question of the construction of both these lines in the interest of the whole district was the subject of a considerable amount of agitation in the district and the District Board more than once resolved that both the lines should be constructed, the losses in the one being made up by the profits on the other for some time to come. And now the Government of India say, the Madras and Southern Mahratta Railway says, that they are willing to construct the Nedadavole and Narsapur line, but they could not construct the other line. That is the position of the District Board. Therefore, Sir, the point that I raise on this motion is that, with regard to these lines in Madras, where the District Boards have definite schemes for construction, the schemes have to be taken together as a whole and this policy of picking and choosing and taking the more remunerative lines for the Imperial programme and asking the District Boards to guarantee the less remunerative lines is certainly one which requires reconsideration. The suggestion that has been made by my friend, Sir Sivaswamy Aiyer, is that we must take all the lines in a district and see whether they pay or whether they do not pay, and if the Government of India announce that the lines in the Tanjore district and the other districts will be taken up and constructed from Imperial funds, we shall be satisfied. Therefore, Sir, to the extent to which this is not meant in the Resolution, I think this Resolution of the Government of India requires modification.

The last point I would like to raise, Sir, is in connection with this policy of development of subsidiary communications. I would suggest, Sir, for the consideration of Government that they must set apart out of their yearly borrowings for railway purposes a certain amount for the development of these subsidiary communications in the districts. They should

[Diwan Bahadur M. Ramachandra Rao.]

lend the amount on comparatively easy terms to the District Boards and help them to establish subsidiary communications either by way of feeder lines, or light railways would come into existence much sooner than they can otherwise. So far as I see there is no policy at present.

Mr. G. G. Sim (Financial Commissioner, Railways): Sir, I intervene in this debate as we have had numerous personal references to myself from the Benches opposite. I gather that my friends from Calcutta are under the impression that the proposals contained in this memorandum were invented by some person from the north of the Tweed. The general impression that I gathered from the speeches of Sir Campbell Rhodes, Mr. Willson and Mr. Darcy Lindsay was that, while previously the Government of India had given very generous terms for the encouragement of private enterprise, in this Resolution the Government of India had replaced those generous terms by a mean requirement that if anybody wanted a railway built they had better put up a guarantee. Now, Sir, Honourable Members are aware that the constituency which the Honourable Members represent come largely also from the north of the Tweed, and from what Sir Purshotamdas Thakurdas has said I think we Honourable Members must have been led to the correct conclusion that all these wails we have heard are because their constituents strongly resent having been done out of a very soft thing by a fellow-countryman.

Mr. Darcy Lindsay: I wonder, Sir, whether Messrs. Martin and Company came from north of the Tweed?

Mr. G. G. Sim: I was referring to the bulk of the Honourable Members' constituency. Now, Sir, I had nothing whatever to do with the origin of this Resolution. The House is aware that this proposal was put forward by the Acworth Committee. Sir Purshotamdas Thakurdas has shown clearly to the House what the disadvantages of the branch line terms are. But I want to make this point about private enterprise perfectly clear. The branch line terms were not terms devised for the purpose of encouraging private enterprise to construct and manage new lines. All that they amounted to was this. The Government of India were unable to find money by open borrowing for lines that they proposed to construct themselves: and being under the impression that they had gone beyond their credit in the open market, they were compelled to resort to other devices to get the necessary money, and as happens to all of us when in that position, they had to pay through the nose for it. The branch line terms were merely a method of raising money for construction by the Government themselves of lines they proposed to build. They went to these financial houses, which are now known as branch line companies, and not only, as Sir Purshotamdas Thakurdas has explained, had the Government to guarantee them for the money put up a rate of interest at least $\frac{1}{2}$ per cent. higher than the rate at which the Government of India were borrowing, but they required that the land needed for the construction of these lines should not be taken into account in the capital, that it should be considered as a free present to these branch line companies, and they also insisted that the profits from the working of the line should be deemed always to be 60 per cent. or some other fixed percentage of the gross earnings. It must be obvious that a considerable portion of these profits that are assumed to have been earned are really a burden on the general railway revenues. The

reason why the Acworth Committee recommended and the Government of India agreed that this policy should be scrapped is obvious. We can borrow our money for new lines in the open market, and it would be absurd to go and borrow money at a higher rate or on more onerous terms from any financial house when we can borrow ourselves at a cheaper rate. There is no reference here to any proposals regarding the building, construction and management of lines by private enterprise. There was no private enterprise at all in connection with the branch line companies. I understand that even Calcutta is now prepared to agree that it is not advisable for the Government to pay more for the money they require for railway development than is necessary.

Objection has been taken to the proposals regarding District Boards. I should like to explain clearly that in this matter the District Boards of Madras are in exactly the same position as these branch line companies of Calcutta. They have never built a railway or managed a railway. They have merely provided the money.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadian Urban): You don't permit them.

Mr. A. Rangaswami Iyengar: They represent the people.

Mr. R. K. Shanmukham Chetty: Do they want a guarantee?

Mr. G. G. Sim: They merely put up the money which the Government required for the construction and 60 per cent. or some other percentage of the earnings are deemed to be their profit.

Mr. Darcy Lindsay: May I ask the Honourable Member to state whether branch line companies include the light railways guaranteed by the District Boards?

Mr. G. G. Sim: I am not quite certain to what particular branch line railway the Honourable Member is referring.

Mr. Darcy Lindsay: To those I mentioned this morning, such as the Howrah-Amta.

Mr. G. G. Sim: I am merely concerned with those which are guaranteed or worked by the Government.

Mr. A. Rangaswami Iyengar: Not in my province.

Mr. G. G. Sim: I should like to give the Honourable Member a few figures regarding District Board lines in the Madras Presidency. Under the arrangement we have made with them the expenditure in connection with the branch lines in most of these cases is assumed to be a figure which would be 40 or 45 per cent. of the gross earnings. At present the percentage which the expenditure bears to gross earnings on the main line is in the neighbourhood of 75 to 80 per cent. I take the figure for one particular railway. We had to assume that the expenditure one year was Rs. 1,22,000, when the actual expenditure was 1,91,000. In the following year we had to assume Rs. 1,37,000 when the actual expenditure was Rs. 2,00,000. Take another railway.

Mr. A. Rangaswami Iyengar: You had a lot of profits in the previous year. Prior to the war, you must have had a lot of profits.

Mr. G. G. Sim: Prior to the war the rate fixed was the rate roughly prevailing at the time but it was stereotyped for all time. That expenditure went up, owing to increase of wages and increase in the cost of materials. The operating ratio of working the main line ran up to about 90 per cent. and the main line was compelled to raise its rates and fares in order to get the previous net earnings. These District Boards still continue to pay simply the old percentage rate and consequently the profits they get at present are about double, in some cases treble the actual profits earned by the line.

Diwan Bahadur M. Ramachandra Rao: May I ask whether you have put down any amount there for headquarters supervision? Does the provision in the figures include any provision for headquarters supervision?

Mr. G. G. Sim: I am talking simply of the general operating ratio for the whole line. It includes everything. The result of this arrangement is that in every case we are burdened with the payment to branch line companies or to District Boards of certain sums of money representing "profits" which are not real profits. The Government are not now prepared to take the money for financing the lines they are to build and manage themselves from any other source than the open market, or at any rate other than the cheapest rate at which we can get it. Sir Purshotamdas Thakurdas raised the question whether in view of what Mr. Rangaswami Iyengar had said, we had a definite statement from the Government of Madras that they had accepted the policy laid down in the Resolution. Well, Sir, we have that statement from the Madras Government.

- **Mr. R. K. Shanmukham Oshetty:** Can the Honourable Member lay the correspondence with the Madras Government on the table if it is not secret or confidential?

Mr. G. G. Sim: As soon as the correspondence with the Government of Madras is finished I have no doubt we shall be able to obtain the consent of the Madras Government to lay the correspondence on the table.

Mr. A. Rangaswami Iyengar: I rely upon the public statement made in the Legislative Council in Madras and if the Honourable Member wants to refer to the secret correspondence, it is only fair to us that it should be laid on the table.

Mr. G. G. Sim: I am quite prepared to read out the particular paragraphs.

Mr. A. Rangaswami Iyengar: We must have the whole.

Mr. G. G. Sim: This is rather a lengthy document, but I am quite prepared to refer to the relevant portion of the letter. The Government of Madras state clearly that they have agreed to this policy generally so far as it concerns the construction of lines which the Railway Board wish to take up on guarantee. That is with reference to the whole of the Resolution. This letter is a reference from the Government of Madras asking what action the Government of India propose to take in cases where a District Board may itself desire to construct and work a line which the Government are not prepared to take up. As regards that aspect of the question, Honourable Members are themselves aware that the great bulk of our expenditure in connection with new lines is in the Madras Presidency. The Madras Government have received from the Railway Board

a sort of future railway map for the Madras Presidency, and if any District Board desires that any railway which the Railway Board is not prepared to construct and work should be built by the District Board and worked by the District Board, either directly or through a company, no objection will be raised from here. At the same time, I think it is very doubtful whether any District Board will ever find it profitable to manage a line by itself. Experience so far in India does not lead to the conclusion that it is possible economically to work short distance lines at considerable distances from one another, and it is largely for that reason that we made the offer to the Madras Government with other Governments that in cases where they wish lines to be constructed for their own convenience, we will be prepared to take them up upon guarantee. My Honourable friend Sir Campbell Rhodes referred to this latter proposal as the particular method by which we propose to replace the system of the branch line terms. This has got nothing to do with the branch line terms. As I have already stated, the branch line terms were simply a method which the Government of India adopted for raising money for remunerative lines. There was never any scheme at all for constructing lines which were not likely to be remunerative. My Honourable friend, Mr. Darcy Lindsay, asked, in cases where Government considered that the line was not going to pay, would the Government allow a private company to construct the line? I have not yet heard that it is the practice in Calcutta—we have not had any offers so far—to take up any line that is likely to pay a return of 2 or 3 per cent. If any such offers come I can assure the Honourable Member that they will be favourably considered.

Mr. Darcy Lindsay: There is a big difference between 2 and 7 per cent.

Mr. G. G. Sim: I do not know what particular standard of return is required by Calcutta. If my Honourable friend will give me an indication of the amount of return which would attract capital in Calcutta we are quite prepared to consider it.

Mr. Darcy Lindsay: Thank you.

Mr. G. G. Sim: Sir Sivaswamy Aiyer raised a question as to the attitude likely to be adopted by the Railway Board where a District Board asked for several lines to be constructed within the district, some of which were likely to pay and some not. I do not think that we need anticipate any difficulty here in adopting roughly the policy that he has himself advocated. In December last the Chief Commissioner and I visited Burma for the purpose of settling with the Government of Burma the terms on which we would take over four lines which that Government had begun to construct from their own funds. Two of those lines were not likely ever to pay and two were likely to give a decent return. The profits from two of the lines were estimated to be about the same as the loss from one of the other lines, and therefore we decided that we would only ask for a guarantee for the remaining fourth line and that we would not ask for any guarantee for the two lines that were likely to pay or for the line the loss on which was estimated roughly to be equal to the profit on the other two paying lines. I do not think that the Honourable Member need anticipate any difficulty whatsoever in obtaining a similar arrangement for the District Boards of Madras.

One Honourable Member referred to the cess collected under the District Boards Act. I think he is aware that the Madras District Boards Act has recently been altered in order to enable the District Boards there

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to use that money for the purpose of giving guarantees whether to the Government of India or to any company that happens to be building a line in their neighbourhood. The Government of India are well aware of the large schemes which have been prepared by the local bodies in Madras, and if the Madras Government so desire it, an officer will be deputed at once from the Railway Board to work out in consultation with the Madras Government and the District Boards what particular lines can be taken up. I do not think that there will be any difficulty in doing this. But I wish to point out that, as Honourable Members are aware, a very large amount of construction has been sanctioned in South India and our hands are rather full up at present, but steps are being taken to get an increase in staff available for construction work in South India, and every endeavour will be made to expedite the work as speedily as possible.

Mr. A. Rangaswamy Iyengar: I had intended by my motion to raise the specific question of District Board railway construction, as it came under the new Resolution regarding the branch line terms. I find, however, that Honourable friends on the other side are trying to exploit this Resolution for the purposes of the private capitalist to whom my Honourable friend, Mr. Sim, properly put the question as to whether they want to get a bounty at the expense of the tax-payer of India. I do not consider Mr. Sim's reply to my points as at all satisfactory. I quite appreciate the fact that he has agreed to send down a special officer to Madras, if the Madras Government desire, to look into the whole matter and expedite the construction of the lines which the District Boards so much want. Nevertheless, I demur to the proposition which he has laid down to the effect that district board lines are not really a paying proposition and that they will be put under the terms of this new policy which says that no branch lines will be permitted to be constructed without their being sanctioned by the Government of India. Sir, I do not propose to lend myself to this process of exploitation by my Honourable friends on the other side, and therefore I do not move the motion in my name. I beg to withdraw it.

The motion was, by leave of the Assembly, withdrawn.

REDUCTION OF COAL FREIGHTS.

Mr. Kasturbhai Lalbhai (Ahmedabad Millowners' Association: Indian Commerce): Sir, I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

My object in moving this motion is to draw the attention of the Honourable the Commerce Member and this House to the precarious position of the coal industry for which the policy of railway administration is largely responsible.

We are told, if the estimates prove correct, a surplus of ten crores is expected from the commercial lines. The administration may strive for a surplus, but I submit, Sir, that the view point of our railway administration has not to be merely the making of gains. The administration has to conduct itself as to secure the growth and development of indigenous industries, by giving facilities, particularly those of special freight rates, wherever possible.

As we all know, Sir, we have not yet got over the period of trade depression. Industries are holding their own with difficulty and a reduction in the freights of certain commodities is a necessity. The coal industry of Bengal is an instance in point. That industry has to be assisted not only for its own sake, but in the interest of many which are more or less dependent on it.

Last year my friend Mr. Neogy pleaded to safeguard this industry by a levy of countervailing duty on South African coal and this House endorsed his proposal by passing the Resolution. During the discussion of this Resolution, Sir Purshotamdas Thakurdas said:

“In view of the fact that we cannot ask our own railway department to reduce their rates to fight the African Coal, owing to our budgets not being square until now, this is the least the House ought to do.”

And the Honourable Sir Charles Innes said then that they have reduced them. This shows that as early as last year, the Honourable the Commerce Member was anxious to be able to say that the freight on coal was reduced, which as a matter of fact has not been the case.

I want to inquire of the Honourable Member that when he said this whether he was referring to the reduction of coal from the Central Provinces collieries which produce 1/10 or 1/12th of our total production or to a 25 per cent. reduction that the Railway Board was gracious enough to make in the case of transport from Jharriah to the Kidderpore Docks which amounted to twelve annas per ton.

Sir, I shall presently give certain figures to the House which will conclusively prove that the policy of the Railway Board in the matter of freight for long distance transport of coal is not merely one of indifference, but also obviously unfair. For a number of years, the freight from Jharriah to Ahmedabad and Bombay stood at Rs. 10-12 and Rs. 11-4, the respective mileages being 1,165 and 1,194. The freight from the Central Provinces collieries to Ahmedabad and Bombay stood at Rs. 7-12 and Rs. 8, the respective mileage being 660 and 680 since 1908 to 1920, for more than 12 years. It may be mentioned that the Central Provinces collieries had not come into existence till about the year 1908. In April 1921, the freight from the Central Provinces to Ahmedabad was increased from Rs. 7-12 to Rs. 9-4, and similarly for Bombay there was an increase of about 20 per cent. over the previous rates. But this was soon reduced to its original level in August 1923.

What has been the treatment meted out to the Bengal coal? It was increased from Rs. 10-12 to Rs. 14-6 in the case of Ahmedabad and Rs. 11-4 to Rs. 16-6 in the case of Bombay, an increase of more than 33 and 37 per cent. respectively; and this continues to-day. That is, though an increase of 20 per cent. was made in the case of coal from the Central Provinces, it was soon restored to its original level, while Bengal coal continues to be handicapped under the crushing burden of a 35 per cent. average increase in freight. It is fortunate that the Honourable Sir Charles Innes has clearly stated the policy underlying this increase in unambiguous terms during the debate over my friend Mr. Neogy's Resolution last Delhi session, and this is what he said:

“It has been our policy ever since 1920 to try and drive this coal trade back from the all rail-route to Bombay to the part sea part rail-route.”

[Mr. Kasturbhai Lalbhai.]

Developing his argument further, he said:

"The last figures I saw were that there were ten million tons of shipping laid up in the world. If only the shipping world could come to know that coal freights are offering in Calcutta, we shall get back into Eastern Waters, a thing which we very badly want, the old British tramp."

So, Sir, the House will see that in order to drive the coal trade to the sea route the freight on coal has been put up and not, as the Honourable the Commerce Member tried to explain at the time of the general discussion of the Railway Budget, because of the increase in Railway costs. And again, why did he want to drive the trade to the sea route? In order to see the old British tramp plying in Eastern waters. Be that as it may, but, Sir, why make Ahmedabad and other centrally situated places, without any sea outlet, the scapegoat of this policy and make them pay the abnormally increased railway freight? The effect of the increase in freights is much worse than what is apparent at first sight. The pre-war price of first class coal was about Rs. 4. To-day it is about Rs. 6. So there has been an increase of 50 per cent., but when you add to this Rs. 3-10-0 or Rs. 4 the increase in the freight, the position becomes very serious.

Sir, I have yet to learn whether the Sukkur Barrage contract for South African coal was not influenced by this unsympathetic and unjust railway freight policy.

I am sure, many Members of this House are aware that for long distances, special rates have been fixed, not only by the authorities in India, but all over the world, without which in many cases trade may not be able to develop. The position to-day is that the rate for the long distance transport from Jharriah to Ahmedabad and Bombay is not low, but on the contrary, it is higher than what is charged for coal to be transported from the Central Provinces, a much shorter distance.

It may be suggested that if an industry requires any special consideration, the matter may be properly dealt with by the Tariff Board. I may also be told that the scheme for the Rates Tribunal is under consideration or there is the Coal Committee taking evidence. Knowing all this, I have deemed it necessary to refer in particular to the coal industry, not because it requires help as an important industry by itself, but because it is a *sine qua non* of all industries.

Almost all witnesses without exception before the Coal Committee have emphasised the urgency for the reduction of freights on coal and if the Railway administration is going to wait till the report of this Committee is out or to wait till a Rates Tribunal is appointed and evidence taken, I do not know what may befall this national industry. Mines after mines have been closed down and many collieries continue to work at a loss.

If the steel industry can look for protection and the Government and the House grant it to them, I ask, Sir, why a much more important industry like the coal cannot look to the Government and the Railway Board just to restore the original freights.

Sir, during the general discussions the other day, Sir Charles Innes told us that the general increase in Railway freights has been 25 per cent. while that in the matter of coal it has been less than 30 per cent. From the actual figures of Railway freight charged to-day by the Railway authorities, I have proved that the increase has not been less than 30 per cent.

to 35 per cent. But my point is this. What is the reason for your increasing in the first instance 10 per cent. more than the all-round increase in freights? Is it because coal has been the largest source of revenue to the railways or is it because it is the one commodity which can least bear any increase at all? One would have expected the Member for Commerce to know that while the increase in freight for other commodities forms but a 2 or 3 per cent. charge over the price of the commodity, in the case of coal, it invariably affects the price by 100 or 150 per cent. at the pits mouth over long distance traffic.

Sir, the industrialists of this country will be satisfied then and then alone when the Railway administration so conducts itself that Antwerp Steel, Japanese cotton goods and African coal can no longer be transhipped at cheaper rates from their respective countries of origin to the Karachi, Calcutta and Bombay markets than the indigenous products of Jamsedpur, Bombay and Bengal.

Again, Sir, the Honourable the Commerce Member seems to have made a great point about his interview with the Chamber of Commerce or some such body in Calcutta. I feel confident that he would not have been able to justify the ruthless increase before them, had that body known that the Railway Board was reaping a harvest of ten crores of rupees, not by any shrewd commercial policy followed by that august body, but more or less at the cost and ruin of a great national industry and the consumer of coal.

I hope I have convinced the House that the policy followed by the Railway Board in the matter of coal freights is wrong and unjust and needs immediate revision.

The Honourable Sir Charles Innes: Mr. Kasturbhai Lalbhai has made a very eloquent appeal on behalf of the Indian coal trade. I must confess that when I heard his speech I could not help feeling that while he was very anxious for the interests of the coal trade he was still more anxious for the interests of the mill industry at Ahmedabad. It is a dangerous thing for an Honourable Member to try and anticipate the arguments which the person who is going to reply to him is going to use. Mr. Kasturbhai Lalbhai named several arguments which I was likely to use but I can assure him that I am not going to use any of them. I am merely going to place this matter before the House in what I consider its true perspective. Now, I should like the House in the first place to remember this fact. Our long distance coal rates remained unaltered from 1905 to 1919. Since 1919 up to the present time we have increased those long distance coal freights on an average by 30 per cent. (*Mr. Kasturbhai Lalbhai:* "35 per cent.") I have got the figures. The Honourable Member can work it out for himself. In 1919 the cost from Jharriah to Cawnpore excluding terminal charges was Rs. 5-15-0. That was the actual freight. Now the cost of that same ton of coal is Rs. 7-13; that is, an increase of 31 per cent. At Delhi the comparative figures are Rs. 7-13 and Rs. 10-6 now; Lahore 9-13, now Rs. 12-12; Madras Rs. 10-6 and now Rs. 13-5; Ahmedabad Rs. 10-10, now Rs. 13-12. Taking all these entries together, and I think that is the clearest way I can present the problem to the House, the average increase works out to just over 30 per cent.

Mr. Kasturbhai Lalbhai: May I point out that none of those centres he has quoted are industrial centres—Delhi, Lahore.

The Honourable Sir Charles Innes: What about Ahmedabad? What about Cawnpore? Now, Sir, I have shown that taking the freights between

[Sir Charles Innes.]

these actual stations the increase in our coal freights since 1905 has been 30 per cent. Now let us take the increase in price. I have here the statistics of the increase in the pit-head value of coal over a series of years. In 1911 the average pit-head value of coal was Rs. 2-15 a ton. In 1923-24 the average pit-head value was Rs. 7-7 a ton. Therefore the increase in the pit-head value of coal between 1911 and 1923 is 123 per cent. Now, Sir, the Railways are the greatest consumers of coal in India. We use about six million tons of coal a year. The pit-head value of coal has gone up on an average since 1911 by something over 100 per cent., and yet we are asking the industry for carrying that same coal to pay an increase of 30 per cent. I appeal to the Honourable Members of this House, are you going to be fair to your Railways or not? It is said all over the country that we are making excessive, exorbitant charges for long distance coal freights. I deny that statement absolutely, and I maintain that, having regard to the increase in price, we pay for our own coal, and having regard to the increase in running expenses generally, we are carrying coal at an extremely moderate rate. We do not claim any credit. We recognize that coal is the lifeblood of the country. But when in the last 19 years we have only increased our freights by 30 per cent. as against an increase in our running costs, as I pointed out to the House this morning, of 106 per cent., I do not think that industries have any cause of complaint against the Railway Board. I know that industries do have to complain of the great increase in the cost of their coal. But their complaint is not against Railways but against the coal trade itself. (*A Voice*: "Why do they increase the prices of coal?") Well, Sir, I am not in the coal trade myself. I have no doubt that the coal trade has many difficulties of its own to contend with. I make no complaint myself against the coal trade. I am merely pointing out the patent fact that the real complaint of the industries of this country is not against Railways but against the increase in the price of coal.

Let me refer to one other small point about the comparative cost of carrying coal from the Central Provinces and from Bengal. I have the figures here. Taking it again between two stations, from Parasia to Ahmedabad. The Great Indian Peninsula Railway charge on Central Provinces coal 45 pies per mile, and they carry Bengal coal from Jharriah at 39-6 pies per mile; and therefore they are charging less on the Bengal coal than they are charging on the Central Provinces coal. I hope the House will support me in this matter. The conscience of the Railways is absolutely clear, and though there may have been an increase in the price of coal for industries that increase cannot be laid at the door of the Railway Department.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, when my Honourable friend Sir Charles Innes deals with the question of coal freights, I find it rather difficult to take him seriously; because my Honourable friend has a dual personality. As the Member for Commerce it is permissible for him to dream of the day when British shipping will be in a position to compete successfully with Indian railways in the matter of coal freights. Perhaps that is clear from the passage that my Honourable friend Mr. Kasturbhai read out from his speech in reply to my Resolution on the question of a duty on South African coal. Now, Sir, in his other personality, as the Member for Railways, he is going in for a programme of extended construction of railways in the coal areas. In fact there are several new constructions included in the Budget which is now

before us for discussion, which will serve merely the coal areas. At the same time, he has fixed the coal freight at a sufficiently high figure which enables the South African coal to compete successfully with Indian coal in the Indian market.

The Honourable Sir Charles Innes: May I just make a remark by way of explanation. If he is referring to what I said about our policy being to drive the coal trade back to the sea, that policy was effected mainly by giving no priority certificate for wagons for long distance coal to Bombay.

Mr. K. C. Neogy: Well, the result will be the same, that is, the Railways will lose the coal traffic altogether if my Honourable friend's idea is realized. Now, Sir, my Honourable friend stated that Mr. Kasturbhai was speaking on behalf of the millowners of Ahmedabad. But I may remind my Honourable friend that a body like the Associated Chambers of Commerce recently passed the following Resolution:

"That in view of the fact that the present high rate of railway freight on coal prejudicially affects the maintenance and development of industrial concerns in northern India and those situated at a great distance from the Bengal and Bihar coalfields, this Association strongly urges the Government of India to take immediate action substantially to reduce the railway freight on coal carried over a long distance."

So that it is not merely the Ahmedabad millowners who are interested in the reduction of coal freight. I was waiting for my Honourable friend Mr. Willson to get up and support his Association, but I have had to bring this Resolution to the notice of the House because I find he is keeping to his seat. Now, Sir, in a memorandum which the Indian Mining Federation prepared for the Coal Committee, they pointed out that the Natal coal, which has a lead of 325 miles from the coalfields to Durban, pays a net freight of 6s. 4d. per ton; that is to say, Rs. 4-2-0 at 1s. 6d. rate of exchange, as compared with Rs. 3-4-0 paid by Indian coal on a lead of 170 miles. Now, Sir, I do not know if the freight on Natal coal is remunerative, that is to say, if there is no element of bounty in it. If that be so, how is it that the Indian railways cannot reduce their coal freight? If again, the South African railways have deliberately fixed their coal freight at a lower than remunerative figure, then I appeal to the other personality of my Honourable friend, namely, the Commerce Member, to say how is it that he has taken so long to make up his mind as to whether any action is called for in this behalf.

The Honourable Sir Charles Innes: The Honourable Member will pardon me for interrupting him to point out that the South African coal trade has not reduced its coal freights at all for South African industries. It has merely reduced them for export coal.

Mr. K. C. Neogy: Exactly, that is why I referred to his other personality, that of Commerce Member, when I find that the Honourable Member has taken one full year to make up his mind to appoint a committee to go into the question of the grievances of the coal industry, after I had the honour of bringing to the notice of this House the question of a countervailing duty on South African coal. Now, Sir, the Indian Mining Federation quote an instance in which the Railways had actually fixed a much less freight than in the case of coal in India. They point out that the East Indian and Bengal Nagpur Railways quote a special rate of one and four-fifths pias per ton per mile to the Tata Iron and Steel and the

[Mr. K. C. Neogy.]

Bengal Iron Companies for conveyance of their materials, raw products and manufactured goods from and to Calcutta, while the coal industry pays a trifle less than 4 pies per ton per mile for the carriage of export coal from the coalfields to the docks. I should like to have some explanation of this disparity in the rates as between coal and Tata's raw materials. Then, Sir, my Honourable friend did not reply to one of the points which my Honourable friend, Mr. Kasturbhai Lalbhai, made and that was as to why is it that while the freight on other commodities has been raised by 25 per cent., the freight on coal has been raised by 35 per cent. That is a point which I believe the Honourable Member has not met at all. Sir, I think my Honourable friend Mr. Kasturbhai Lalbhai has made out a very strong case at least for a serious inquiry into this matter, and it is up to this House to record by a definite vote that it demands definite action on the part of the Government in the direction of a reduction of the coal freights.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadian Rural): I am afraid, Sir, I have not been in the least convinced by the speech of my Honourable friend Sir Charles Innes. In our anxiety to commercialize our Railways and to earn a dividend from our railway concerns for the general Budget of the country, I am afraid, Sir, we are overlooking one of the very fundamental functions of the Railways—as an important aid to the industries of the country. In this connection I would draw the attention of my Honourable friend to a statement made by Sir W. W. Hoy, General Manager of Railways and Harbour, South African Government, in his evidence before a Commission of Inquiry in South Africa in 1916. He said:

“The broad features of the tariff policy of the South African Railways are low rates for exports, raw materials for manufacture, agricultural produce, minerals, and other raw products of the country, with a view to stimulating agricultural and industrial development.”

Now I would ask my Honourable friend to apply this criterion to the railway policy of India also. It is not enough for us to rest satisfied that the Railways are yielding a net dividend of 6½ crores of rupees to the general revenues. It is up to this House to find out whether the tariff policy followed by the Railway Board is such as to stimulate the important key industries of the country. My Honourable friend Sir Charles Innes attempted to show that the railway freight on coal has increased only by 31 per cent., while the actual cost of the Railways themselves has increased by one hundred per cent., and on this basis he attempted to justify the increase of 31 per cent. on the freight on coal. But I would submit to him, Sir, that that is not the proper way of looking at the question at all. The whole question is, what is the average cost of the hauling of coal per ton per mile and what profit is actually made on the haulage of coal? Now I see that in November-1923 the freight charged by the railway companies for the transport of coal from Jharriah to Bombay was Rs. 15-6-0 per ton for public coal and Rs. 13-14-0 per ton for railway locomotive coal. I would like to ask my Honourable friend to enlighten this House whether this rate of Rs. 13-14-0 per ton for railway locomotive coal represents the actual cost of haulage, or whether over and above this Rs. 13-14-0 per ton any profit is made by the railway administration. Even taking it for granted that Rs. 13-14-0 per ton from Jharriah to Bombay represents the

actual cost of haulage of the coal, then it is clear that the railway makes a profit of Rs. 1-8-0 per ton from Jharriah to Bombay; and in view of the serious condition of the industry I ask whether it would not be worth while for the railway administration to consider whether it would be proper on their part to make this profit on the haulage of coal.

There is another point, Sir, on which I would like the Honourable Member to enlighten this House and that is whether coal gets the advantage of the scale rates which involves a reduction of the mileage rate in accordance with the length of the lead. On this point there was a definite recommendation by the Industrial Commission. They said:

“Similarly, when ‘scale’ or ‘tapering’ rates are charged, which involve a reduction of mileage rate increasing with the length of the lead, each railway treats the length on its own system as the sole basis for its charges, irrespective of the total lead, and a consignment which divides a journey of 300 miles equally between three railways, only obtains the mileage rate applicable to a lead of 100 miles. * * * We think that Railways should accept the principle which is followed in some other parts of the world, that a consignment travelling over more than one line should be charged a single sum based on the total distance, any special claims for extra cost incurred by a particular line in handling short-length traffic being met by the grant of suitable allowances or of a suitably larger share to the less favoured line, when dividing the total payment between the railways concerned.”

I would like the Honourable Member to tell us whether this principle is observed in handling the transportation of coal over the Indian railways. From the figures given by my Honourable friend Mr. Lalbhai, I see that the rate for the transportation of coal from the Central Provinces to Bombay, which is a distance of 660 miles, is practically the same as that which prevails for the distance from Jharriah to Bombay, which is 1,165 miles. Certainly, the latter rate being for a longer distance, if the principle that is recommended by the Industrial Commission were adopted, must certainly be lower than that charged between the Central Provinces and Bombay. I hope, Sir, that we will get some more information from the Honourable Member on this point also.

Sir Campbell Rhodes (Bengal: European): Sir, as my Madras friends regard me as an untouchable, I think I will return to my old love and in this instance say a word in favour of the policy of the Railway Board. We heard yesterday a great deal about the extravagance of the Department so ably presided over by Mr. Hindley. I think we should put him in the dock for extravagance if he carried out some of the somewhat wild ideas we have heard from some of the previous speakers. I only rise to my feet, Sir, because one of our distinguished Chairmen, abrogating the duties which belong to yourself, has taken upon himself to call upon individual speakers to address the House, and as the representative of the Associated Chambers of Commerce evidently shows no sign of doing so, I am going to just say a few words on the subject. (*A Voice*: “On his behalf.”) Mr. Neogy, I think it was, quoted the freights by sea and the freights by land and pointed out that sea freights are cheaper than land freights. I think nearly every schoolboy knows that fact; and if Mr. Neogy some time when he is in his constituency again would go down to the Kidderpore Docks and see the large bulk handling of coal in the hold of a steamer, he would realize why it is more economical to carry your coal by sea; and I think the Honourable Commerce Member, Sir, is definitely on the right lines in trying to get the coal carried from Calcutta to Bombay by water. Unfortunately he used that term “British tramp” and this raised some

[Sir Campbell Rhodes.]

excitement in certain quarters of the House (Laughter). The whole point about the tramp, Sir, is that it is a tramp and belongs to no nation in particular. There have been many things said against liners and shipping rings. The great advantage of the tramp is that it is outside the shipping rings, and it butts in, very awkwardly sometimes, to cut out freights from under our feet. If the Indian Mercantile Marine is ever to have a chance in competition, it certainly will be on the tramp basis, because there is no question of rebate, and there is no question, as I said before, that for long distance coal it is much better carried by sea rather than by land. And that is why partly I am such a strong advocate of the opening of the Vizagapatam Harbour. The Mover of this reduction has mixed up several things together. He has strayed into the path of protection and here I hope we shall hear from Sir Purshotamdas Thakurdas shortly the views of Bombay on the subject of Natal coal. I learn from the *Pioneer* of this morning from Bombay that the Standing Finance Committee have adhered to the doctrine of buying in the cheapest market. The East Indian Railway line at present is congested with traffic. If Members will take a trip to that delightful city of Calcutta, they will see standing in every siding waiting for the mail to pass long rakes of coal wagons. It is impossible to increase your third class trains on the railways, it is impossible properly to develop the country and to carry the traffic so long as coal which should be carried by sea is carried by land; and I shall therefore be one of those who, in this instance, will support the Government.

Sir Purshotamdas Thakurdas: Sir, I wonder what the Honourable the Commerce Member said when he wound up with the following statement. I took down the words as I heard them from him. He said, Sir, in conclusion, "Here the conscience of the Railway Board is absolutely clear." I am sure, Sir, that even the Honourable Mover of the amendment will accept this assurance of the Commerce Member that on this question the conscience of the Railway Board is absolutely clear. If we have caught them on some other point yesterday where their conscience was a little less clear, I would like to congratulate the Assembly.

The question before us, Sir, is not one that has been discussed only to-day or recently. The grievance of the coal trade that the increase in the railway freight rates has been such as to allow foreign coal to compete with Indian coal is a long-standing one. My Honourable friend from Bengal invited me to put before the House the views of Bombay. I think the House already knows the views of Bombay and of my Chamber. He read out a message which indicated that the Finance Committee of the Bombay Council, I think he said, had decided to buy coal from the cheapest market. I am not surprised. I am sure the Finance Committee of any other provincial Government would do the same thing. That I think is the complaint before the Government of India that they regulate the freight on coal in India in such a manner that it gives foreign coal a chance to compete with Indian coal on unequal and unfair basis. The figures given by my friend Mr. Kasturbhai Lalbhai show the care that the Commerce Member or the Railway Department in foreign countries takes in regulating freights on coal; and if I have understood my friend's motive in moving this amendment correctly, it is this, that he wants the

same mentality from the Railway Board in regard to the question of adjusting freights on Indian coal, one of the cheapest articles, one of the articles most necessary for the industries in this country. I am sure my Honourable friend Sir Campbell Rhodes cannot have forgotten the very strong recommendation that he himself made from the Fiscal Commission, that the raw produce necessary for any industry should be handicapped as little as possible. I wish he had reminded the House about it before he sat down.

Sir, in the morning we discussed with some heat the question of a decrease in passenger rates. Here now in the afternoon, Sir, is brought up a question of a decrease in the coal freight. The inference of the whole appears to me to be that the Assembly is anxious—if I may repeat what I said on the first day of the general debate—is anxious that they should be able to declare to the tax-payers and the general public a dividend from the Indian Railways which would be perceived by them, give it in the shape of lowering of passenger rates, give it in the shape of lowering of freight rates, give it in any shape, but let us give it as early as we can. I do not think even Mr. Kasturbhai expects Government to make any change this year in the Budget for the purpose of lowering coal rates: I expect he will be quite satisfied if the Honourable the Commerce Member can on behalf of Government assure him that this question would again be brought up before one of the Committees in conjunction with the Railway Board and would be examined thoroughly before the end of the year. By that time the monsoon will clearly show which way our estimates are likely to stand, although, I repeat, I do not have much apprehensions on that score, irrespective of any unexpected disaster. I feel that in order to cut the discussion short, if an assurance of that nature can be given, perhaps the Honourable the Mover of the amendment may see his way not to press the amendment.

Mr. W. S. J. Willson: Sir, you never know what is going to happen in this House. When I spoke this morning and attempted to side with a friend from Madras, he immediately withdrew his motion. Consequently I might have been justified in feeling that if I had sided with my friend from Bombay this afternoon he would have withdrawn his. Apart from that, Sir, having been connected with transport all my life, I know perfectly well the difficulties in this matter. I must not have jibes thrown at me because I remain in my seat. I know perfectly well which side I am going to vote. I am going to vote with my friend from Bombay, and I am going to ignore the insults of my friend Sir Campbell Rhodes: but I am not going to make the mistake, which several Members have made, of arguing the case against Sir Charles Innes, because I do know, being somewhat of an expert in transport, that they have laid themselves open to most appallingly easy points of attack.

The Honourable Sir Charles Innes: Sir, I would just like to say one or two words before this matter comes to a division. It is perfectly true that the Associated Chambers of Commerce, that august body, did pass a resolution in favour of a reduction of coal freight. My own experience of the business man in India and all the world over is that if he can get something for nothing, the mere passing of a resolution will not stop him from doing so. Mr. Shanmukham Chetty asked me a definite question. He asked me whether we were making very great profit on the carriage of

[Sir Charles Innes.]

our coal. I have some figures here, but I definitely did not put them forward because it is extraordinarily difficult to say what exactly your cost on any particular article which you carry on the railways is. It is very difficult to be sure that your figures are absolutely accurate, but we have made a definite attempt to find out what the cost of carrying a wagon of coal is in comparison with what we get for it. Now, our figures are these. On long distance coal we get freight of on an average 40 pies per wagon mile. The bare cost, without taking any interest charge at all, is 34 pies per wagon mile. If you add interest charges—naturally they have got to bear their share of interest charges—the cost is 51 pies per wagon mile. And so according to those figures we lose on the coal we carry. We do not mind doing it because we have recognised that if we can carry coal cheaply we encourage industries. If there are more industries, there will be more trade and that is why we are quite prepared to carry the coal, as we believe, actually below the cost price.

Mr. R. K. Shanmukham Chetty: Do you then lose more heavily on railway locomotive coal?

The Honourable Sir Charles Innes: I cannot tell you that. I had merely had these figures worked out for the purpose of discussion.

Mr. N. M. Joshi: May I ask, if you carry your coal below cost price, how do you propose to make up the loss?

The Honourable Sir Charles Innes: We carry our coal at these low rates because we hope that thereby we keep the industries going and industries bring traffic to the railways.

Mr. N. M. Joshi: But how will you make up the loss?

The Honourable Sir Charles Innes: I cannot say that.

I have only one other thing to say. As I said to the Associated Chambers of Commerce and I say it again to this House, that we recognise the importance of carrying our coal as cheaply as we can and it is a matter which we have constantly under our examination. As far as we can see the matter at present, in the first place, we are carrying our coal as we believe at a loss for every ton we carry. And, in the second place, I put it quite frankly to this House that I do not think it fair for this House to pass this vote as a censure upon me because we are carrying our coal at 30 per cent in excess of the rates of 1925. Besides, as we all know, the cost of running railways has gone up a great deal more.

Mr. President: The original question was:

“That a reduced sum not exceeding Rs. 9,07,900 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of the ‘Railway Board’.”

Since which an amendment has been moved:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100.”

The question that I have to put is that that reduction be made.

4 P.M. The Assembly divided:

AYES—50.

Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Aiyangar, Mr. C. Duraiswami.
Aney, Mr. M. S.
Belvi, Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Crawford, Colonel J. D.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Ismail Khan, Mr.
Iyengar, Mr. A. Rangaswami.
Jajodia, Baboo Runglal.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kidwai, Shaikh Mushir Hosain.
Lindsay, Mr. Darcy.
Lohokare, Dr. K. G.
Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhu Dayal.

Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Sayad.
Mutalik, Sardar V. N.
Nambiyar, Mr. K. K.
Narain Das, Mr.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Patel, Mr. V. J.
Piyare Lal, Lala.
Purshotamdas Thakurdas, Sir.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Muhammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Kumar Ganganand.
Syamacharan, Mr.
Tok Kyi, Maung.
Vishindas, Mr. Harchandrai.
Willson, Mr. W. S. J.

NOES—54.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abul Kasem, Maulvi.
Ahmad Ali Khan, Mr.
Ahmed, Mr. K.
Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Badi-uz-Zaman, Maulvi.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Dalal, Sardar B. A.
Fleming, Mr. E. G.
Fraser, Sir Gordon.
Graham, Mr. L.
Hindley, Mr. C. D. M.
Hira Singh, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Hussanally, Khan Bahadur W. M.
Hyder, Dr. L. K.
Innes, The Honourable Sir Charles.

Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Makan, Mr. M. E.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra
Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir Alex-
ander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Naidu, Mr. M. C.
Pal, Mr. Bipin Chandra.
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Reddi, Mr. K. Venkataramana.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sarda, Rai Sahib M. Harbilas.
Sastri, Diwan Bahadur C. V. Visva-
natha.
Sim, Mr. G. G.
Singh, Rai Bahadur S. N.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Venkatapatiraju, Mr. B.
Webb, Mr. M.
Wilson, Mr. R. A.

The motion was negatived.

ATTITUDE OF THE RAILWAY BOARD WITH REFERENCES TO THE GRIEVANCES
OF THE GENERAL PUBLIC.

Lala Duni Chand (Ambala Division: Non-Muhammadan): Sir, when I made an unsuccessful attempt yesterday to bring in the question of the complaints and grievances of the general public in connection with the motion of Mr. Patel, I remarked that in the matter of the grievances of the public against the Railway Administration, the policy of the Railway Board has been characterised by indifference, lukewarmness and condonation; and that it will be a very good thing for the public if this policy is replaced by a policy of determination and earnestness on the part of the Railway Administration to redress all these grievances that the public has got and to remove all these evils from which the Railway Administration is suffering. It is a subject which is of vital importance to the public at large. I may not be able to do full justice to the subject, but I hope Members of the House more able and more competent than myself will do full justice to the subject. The general public consists of the passengers, of the trading people, and all those people who have to do one thing or the other with the Railway Administration. The Railway Administration is full of many abuses to which I want to draw the prominent attention of the House and thereby of the Government on this occasion. First of all, there is the question of the grievances which the third class passengers have got. The question of the grievances of the third class passengers has been very prominently brought to the notice of this House more than once. As to the third class passengers I only make a brief reference.

Mr. W. M. Hussanally: On a point of order, Sir, the question of third class passengers has been fully discussed and disposed of to-day.

Another Honourable Member: Only with reference to fares.

Lala Duni Chand: I see that in the budget estimate for 1925-26 a special provision of 30 lakhs for amenities for third class passengers, such as waiting sheds, refreshment rooms, booking facilities, water supply and so on, has been made. It is too small a sum to be provided for the comforts of those who contribute the bulk of the railway income under the head of passenger traffic income. I venture to think that without upsetting the other heads of the Budget much more generous provision could be made to provide for the needs of third class passengers by the framers of the Budget. It is truly a pathetic scene to be witnessed on a good many railway stations that the third class passengers, particularly on occasions of fairs which are too many in this superstition ridden country, can neither protect themselves from the scorching sun in the summer or from the biting cold in the winter. The question of the supply of water on railway stations particularly in the summer season is a question to which I invite the particular attention of the Railway Administration on this occasion. The water supply arrangements are extremely inadequate. The water supply on many stations is very scanty and the water-givers are generally a set of indolent, low-paid and physically weak men. They are servants more of the station masters and other railway officials than of the thirsty public. On many stations it is the *Seva Samitis* and other public

serving bodies that make up, though inadequately, what is clearly the duty of the Railway Department.

As to certain other grievances against the Railway Administration, I may say that they are too many and it is not possible to deal with them even briefly in a short space of time. The travelling public is entitled to receive a much better treatment at the hands of the railway officials than it does. The third class passengers receive the worst treatment and are at times treated as if they are not human beings. Instead of the advertisements of patent medicines being put up on the walls of railway stations, the true lesson that every railway official is the servant of the public and is expected to behave as such should be written in bold letters on conspicuous places. The railway officials badly need to be taught the elementary lessons of good manners and courteous behaviour. The majority of the subordinate railway employees in certain sections are either thieves or receivers of stolen property. (*Mr. C. D. M. Hindley*: "Shame.") When I make this remark I make it advisedly: I know that I am perfectly in the right. There are very few consignments which are safe in their hands. There are very few things which they think they are not entitled to share. It is a matter of regret that higher railway officers condone the actions of their subordinates. In order to effect reform in this direction it is absolutely necessary for the higher officers to adopt a very severe attitude in the matter. In order to befriend the public and remove their grievances it is absolutely necessary that a much higher standard of public conduct than is to be found at present should be introduced into and insisted upon all ranks of the railway service and the present policy of the Railway Administration of inaction and lukewarmness should be replaced by a policy of earnestness to eradicate the evil. It is a fact that every trader who has anything to do with the Railways cannot have a single consignment of goods sent or received without making an extra payment either to a goods clerk or a station master. Not a single wagon can be had unless and until one pays an extra sum for it. The truth of the matter is that there is a sort of a joint stock company, big or small, on each railway station which daily receives blackmail and distributes it among its shareholders. The traders of every town find themselves helpless and accept what they think is inevitable. There is no doubt that there is a widespread belief, for which there are good and tangible grounds, that this state of things is connived at by higher officers of whom some actually receive a share in one form or the other. I may point out on this occasion that I do not blame each and every officer of the railway department. I know that in the railway department there are some officers of a very high character and I say that the credit for whatever good things you find in the Railway Administration is due to these officers; but at the same time I do want to say very boldly that there are certain officers even among that class which is called the class of higher officers who share the illicit gain along with the goods clerk and the station master, etc. If the Government are really in earnest to know all this the Government can very easily know. It is an open secret that there are some prize stations for getting which the station masters leave no stone unturned. I was one day told by a coolie at Delhi railway station that every coolie has got to contribute a portion out of his hard-earned wages to railway gods and the total contribution comes to a fairly big sum every month. I was in fact told, and I have every reason to believe, that the coolies of the Delhi station are made to pay about Rs. 2,000 a month to those who are the masters of their destinies. The manner in which he told me the story convinced me of its truth. In short, corruption is

[Lala Duni Chand.]

rampant among a section of the railway service, particularly among the employees of the goods and traffic sections. When a question is asked on the subject on the floor of this House, a stereotyped reply comes from the Honourable the Railway Member that a full inquiry will be made into any complaint that might be made. But complaints are made in hundreds and thousands and they are generally thrown into the waste paper basket, and so all those people go on merrily with their game. Nothing short of a definite change of policy and attitude on the part of the Railways and the higher railway officers in the matter will produce the desired result. I want to say one thing on this occasion. There is one particular disease from which the Government are suffering. What is that disease? There is a tenacity on their part not to recognise the facts as they are. Everything that I have said in my speech I have convinced myself of its truth. Whenever I say anything the only thing for which I care is whether it is true. If I am convinced that it is true, I say it frankly and fearlessly. In all these things that I have said there is no desire on my part either to abuse or to spite the Government or the Railway Administration. It is my duty to point out the truth as it is and it is open to the Government to accept it or not. I would most respectfully request my Honourable friend Sir Charles Innes to inquire into the truth of these facts. I say, go to every trading town and see their books. You will find daily entries—hundreds of them—in all the books of those people who have anything to do with the Railway Administration. This is the truth that I boldly and truly utter and it is for the Government really to take it up or not. I also beg to submit on this occasion that this motion of mine is both in the nature of a censure and also in the nature of an appeal. It is, in the nature of a censure in this sense that the Government have not taken any steps in the matter. Government may have some times appointed a committee to inquire into these things, but until and unless there is earnestness on the part of the Government, these reports of committees will not bring about any good. It is in this sense a vote of censure that a very large section of the public is suffering at the hands of the Railway Administration and it is up to the Government to remove those evils. I admit that the Railway Administration is a very intricate and complicated machinery. The Railway Administration, or those who are in charge of it, may not always be able to eradicate all these evils. If I find that there is a real desire, that there is a real determination on the part of the higher railway officers to remove as many evils as they can I shall be satisfied. It is also an appeal in this sense that I wish the administration to be infused with a spirit of eradicating all these evils and removing the grievances of the public. I most earnestly request the House to pass this motion, which is a motion in the nature of a censure and also in the nature of an appeal. When I wanted to talk on this subject some time ago in connection with another Resolution, one of my friends, Maulvi Abul Kasem, wanted to support me. The burden of my speech, which I was not allowed to make, was the same. I was very anxious that if the railway employees were to be given an increment, there should be an inquiry at the same time into the conduct of the railway servants, so that both the railway servants and the public may get the benefit. The benefit should not go to the railway service alone. I want to utilise this opportunity to bring this question most prominently before the House and before the Government. I cannot possibly understand that any Member of this House

can honestly and conscientiously vote against this motion, because anybody who votes against this motion will be a party to all these evils that I have described in my speech. I hope this motion will be carried by the House, so that it may open the eyes of the Government and the Government may be more earnest in future in removing the grievances of the public.

Mr. President: Reduction moved:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100.”

Colonel J. D. Crawford (Bengal: European): Sir, I have considerable sympathy with this question of the difficulties with which the third class passenger is faced in railway travelling, but I at once want to dissociate myself from the suggestions of Lala Duni Chand in his unjustifiable attack on a body of public servants. I do not consider that this House is the place in which that attack should be made. I understand that one of the implications of State management is that it is our duty to look after our public servants. I do not wish to plead for the guilty in the very least. If they are guilty, by all means let them be punished. But we are not going to improve friendship between the railway staff and the public by abusing them blindly in this House.

Lala Duni Chand: I request you when you go out of the Assembly to inquire into the truth or otherwise of the allegations that I have made and I hope you will be satisfied.

Mr. C. D. M. Hindley: Go and repeat them outside.

Colonel J. D. Crawford: I have said, Sir, that I am in sympathy on the general question of the grievances of third class passengers. As an officer of an Indian regiment I have often heard from the lips of sepoys with what troubles they are faced when they go on leave and when they return. Only the other day, travelling down by a passenger train from Ambala to Delhi, I happened to look out of the window at one station and I found in the struggle to find places in overcrowded carriages the husband managed to go off and the train left when his wife was still on the platform. I was interested and looked out at the next station. This time it was not the wife but it was the luggage that was left out, and I had a feeling that the railway servants on this occasion did not do all that they could to assist passengers to find their places in the train. On the Railways, a considerable amount of the difficulty, in fact the major portion of the difficulty, arises from the overcrowding in third class carriages and from the fact that many of the passengers carried are ignorant of railway methods. At the same time I do believe that under our present Chief Commissioner there is a hope that we may build up amongst the railway staff a spirit of service which will assist us in overcoming many of our difficulties. But that spirit of service will only arise if we in this Assembly, and the public generally, treat our railway servants with equal consideration. I have heard many questions on railway matters in this House, and I deprecate them as much as anybody else. I feel they take up the time of the House unnecessarily and I particularly deprecate those dealing with the staff of the railways but I have often wondered if the Honourable the Commerce Member realises the true significance of all those questions. It lies in the fact that third class passengers suffer considerable hardships in their travel, and I do

[Colonel J. D. Crawford.]

hope that the Honourable the Commerce Member will consider the possibility of taking even greater measures than he proposes to do for the improvement of travelling facilities for third class passengers.

The Honourable Sir Charles Innes: I understand that the Honourable Member who moved this motion referred generally to third class passenger grievances and he then went on to devote a greater part of his speech to an attack upon the whole of the Railway Department. He made himself responsible for such statements as these, that the majority of railway subordinates are thieves and receivers of stolen property, that the higher railway officials condone their actions, that no wagon will be supplied without a bribe, and that the traders often find themselves helpless when this state of things is connived at by the higher officials. I put it to the House that when statements of this kind are made in this House by a Member of the Assembly they echo all through India, and the effect of this motion, if it is carried, will be that this House has branded a body of servants numbering 700,000 as receivers of stolen property and bribe-takers. I make this offer here and now to the Honourable Member who has moved this motion. If he will not take advantage of his privileged position as a Member of this Assembly, if he will come outside this House and make these charges in the open and in the public against any specific officer, we will guarantee to have those charges inquired into. If he is wrong he will then stand a charge of defamation. That, I submit, is the proper way for this House to deal with an Honourable Member who brands the whole of a body of public servants in India with a stigma of this kind. I submit it was a wrong thing and I hope the Honourable Member will withdraw his statement. I do not deny for a moment—I have to admit it with regret—I do not deny for a moment that corruption does exist on the railways. I believe it exists on almost all the railways of the world. It was bad at the end of the war when the shortage of wagons was at its worst, and I have often discussed this matter with the Chambers of Commerce. I remember discussing it with one particular Indian Chamber of Commerce. They were complaining about this very matter and I put to them this question. “I am afraid that to some extent this evil does exist. But are not traders to some extent responsible for this, because, don’t they submit to this practice?” They said to me quite frankly, “We agree. We agree that we do submit to this practice and we do connive at it.” But they went on to point out very properly that very often to the particular trader it did mean a very great loss if he did not get a wagon in time. I quite admit that. We are trying to meet the evil not only by a proper system of distribution of wagons but by increasing the number of wagons. That is the real solution, and if we can supply as many wagons as the trade requires, then this question of corruption will I am sure disappear. The only point I wish to make is that I do not think it right that any responsible Honourable Member of this House should brand a whole body of servants in the way in which the Honourable Member has done. I should like him to remember that the vast majority of these servants are Indians themselves. The only person who can reply for them is myself, and I cannot do it adequately, and I do suggest that it would be a wrong thing for this House to pass this motion. I suggest to the Honourable Member that the proper course for him to adopt is to withdraw his motion and if he will bring to my notice any

specific cases against any specific official outside the House, then I will guarantee, if he will make himself responsible for the charge, to have them inquired into.

Lala Duni Chānd: I want to rise to a point of personal explanation, Sir. For every word that I have spoken in connection with this motion

Mr. President: The Honourable Member is merely repeating his statement. The Honourable Member made an extreme speech. He is not satisfied with having received a somewhat severe reply,—a consequence which naturally follows on the original cause.

Lala Duni Chand: Will you kindly allow me to say what I said . . .

Mr. President: The Honourable Member asked for an opportunity for a personal explanation, and was proceeding to repeat his original statement, when I rose.

Lala Duni Chand: My personal explanation is that the only thing that I said was that corruption is rampant among a certain subordinate section of the railway employees and that there are some higher officers who condone that corruption. That was my statement, nothing more, nothing less.

Khan Bahadur W. M. Hussanally (Sind: Muhammadan Rural): While I fully sympathise with the Honourable Mover of this motion in regard to the corruption existing on Railways and inconveniences of third class travelling, I must admit that his assertions and condemnations were far too sweeping and they were given out in such broad and general terms as to condemn the whole of the railway staff from top to bottom. But I am glad at the same time to observe that the Honourable the Commerce Member has admitted that there is corruption on almost every railway in India. That this corruption exists to a very large extent on the railways cannot be doubted and it has been admitted here in this very House on several occasions. The misfortune has all along been that the Railway Board and the Railway Administrations have not taken any action upon the facts as brought to their notice in this House. As I have said once before, Dr. Nand Lal brought this subject before this House in the last Assembly on several occasions, and there was an admission made then that there was corruption, as it has been made to-day. But what this House is entitled to know is, what action the Railway Board and the Chief Commissioner have taken in the matter so as to minimise this evil. That is what we want to know. It is not enough for the Railway Board and the Agents of the various railways to sit with folded hands and say: "We cannot do anything. We cannot get any evidence." As I pointed out the other day, the Railwaymen's Union at Lahore passed a Resolution to this very effect that there was corruption on the North Western Railway everywhere, and they asked the Agent to associate some of the representatives of the Union in the inquiry they asked for in order to bring home the charges to the individuals concerned. What reply did the Agent of the North Western Railway give? He said that no useful purpose would be served by associating any representatives of the Union for the purpose

[Khan Bahadur W. M. Hussanally.]

of finding out the delinquents. The object evidently with which the Union asked the Agent to associate representatives of their body in the inquiry was with a view to furnish evidence with regard to corruption in particular cases. That was the sole object with which the Union made that request and passed the Resolution, and yet the Agent in his reply says that it will serve no useful purpose. If the Agent would not listen to the advice of the Union and would not give them any opportunity to place evidence before him, what else could the public or the Association do with a view to checking this evil? The result of that action on the part of the Agent was to encourage the delinquents to go on in their mad career of corruption more and more. If, for instance, the Agent of the North Western Railway had only prosecuted one man upon certain evidence that he got from the Union, no matter even if the case failed, the indirect effect of that prosecution would have been very great and corruption would have been checked to a certain extent, if not entirely. What my friend Lala Duni Chand probably wanted to bring to the notice of the House is that the Railway Administrations sit with folded hands and shut their eyes and do not wish to inquire into matters of this kind and remedy the evil. That is a point surely to which this House is entitled to draw the attention of the administration and also of the Commerce Member. And to do that I do hope that this motion will not be lost but carried, in order to set the machinery of the Railway Board into some action.

In regard to the grievances of the third class passengers I remember on the suggestion of my Honourable friend Diwan Bahadur Rangachariar some time ago Superintendents were appointed in certain large towns, but the question is whether these Superintendents have succeeded in looking to the comforts of third class passengers. I am afraid that these Superintendents, if they have been appointed, are more in name and have done nothing. The discourtesy of the railway subordinate officials to passengers, especially second and first class, particularly Indians, is proverbial. I repeat the discourtesy to Indians is proverbial almost on every line. I have had experience of that myself several times. A Goanese ticket collector getting Rs. 20 or Rs. 30 is so overbearing in his manner to Indian passengers that it would shock the Honourable Mr. Hindley if he were to see it for himself. The third class passengers are never shown their proper places and are never attended to at stations as they ought. I know the number of carriages available is very small. There is always a rush at big stations but still there ought to be some people to look to the comforts of third class passengers and specially women. This is a crying want. Similarly, in the case of the supply of water. At many stations I have seen it for myself that there was a great demand for water and passengers could not get a drop. I am aware there are water carriers employed. I am talking of the North Western Railway. These water carriers are more used by the station staff as their private servants and cooks. It is very seldom that you see them on the platforms carrying water to serve the passengers. There is again absolutely no arrangement for water for first and second class passengers. These are complaints which are very general and surely something must be done to remove them.

Mr. C. D. M. Hindley (Chief Commissioner, Railways): I have very much appreciated the remarks made by Colonel Crawford in regard to the necessity for encouraging in the railway services a spirit of service for

that is a matter which I have very much at heart myself. That is a matter also which the Agents and the principal officers of the Railways also have very much at heart and I hope that in course of time it will be possible to infuse into the large numbers of employees in the railway service who have to deal with passengers something more of the spirit of service which is necessary to enable them to meet their obligations towards the travelling public. I was reminded by Sir Purshotamdas that I must not preach the House a sermon. I was endeavouring to give the House a little information about some of our activities and some of our work and I was rebuked by Sir Purshotamdas for preaching the House a sermon. I am therefore going to be as brief as possible. I shall refer for a few minutes to the methods that we have been adopting in order to prevent the possibility, as far as possible, of corruption taking place in connection with the supply of wagons. The Khan Bahadur has accused me and the Agents and every one else connected with Railways of sitting with folded hands and watching this practice going on. That, Sir, is hardly fair but I must admit that I have not many opportunities of explaining to this House such matters as this in detail. I would like to say first that this business of buying and selling wagons wherever it exists can be put a stop to by the public, by the traders themselves, if they wish to, and amongst the various difficulties in connection with this matter is the difficulty of finding any one who will come forward with a concrete complaint about a particular instance. Wherever such a complaint is made, a concrete instance given of a bribe having been taken or asked for, it will inevitably be inquired into. It is absolutely incorrect and untrue to say that complaints made like this to a superior officer with evidence are ignored. I challenge any one to produce a case of that kind which has been ignored. The remedy, as I say, is in the hands of the public if they like to adopt that remedy. Now, what is the primary cause of any one being induced to take or to give a bribe in connection with a wagon? It is the man who wants the wagon who will probably offer a bribe in order that he can get a wagon earlier than some one else who has a consignment ready to go. There can be no other reason for giving a bribe in connection with getting a wagon. The House has been told on many occasions, probably it is not within the memory of Members because Members do not really take very much interest in details of this kind, that we have a system of registration at stations, under which station masters keep registers of the consignments as they are offered for transit. Now you will say, "Of course, the station masters can fake that register as they like", but I can assure the House that this is a matter which is watched very carefully and it is practically impossible under the system of check that we have for station masters to alter that list of registration. I firmly believe that these general complaints that have been made and are constantly being made about bribes in connection with wagons are very largely matters of the past. Sir Charles Innes has given the House quotations regarding this matter of corruption. There is no disputing the fact that corruption has taken place. It is possible that it does take place in certain cases, but it is not general and it is not widespread. If any Member has information of a solid character, of a concrete case which can be brought to us, and on which we can make investigations, we shall have no hesitation in making those investigations. Now, with regard to these registers. Even with all the checks that can be applied, there of course is the danger of the human element coming in again. I do not propose to deal with Lala Duni Chand's insinuations, but what I want to say is this. On the North Western Railway, where these complaints, so far as they

[Mr. C. D. M. Hindley.]

have been voiced, originate, there is a system which is far in advance of anything, which has been tried anywhere else in connection with the train control system whereby every station within a certain radius of Lahore is in telephonic communication with headquarters and can be spoken to at any time of the day. The station masters of all stations within that radius have to telephone exactly what consignments they have for transit every day. The information which they give to headquarters is used as the basis for sending out wagons to pick up those consignments on the following day. The station master commits himself definitely to the consignments he has on hand and the order in which they have been registered by the telephonic message which he sends. He is liable to be inspected at any moment to prove the truth or otherwise of what is wanted.

Dr. K. G. Lohokare: Does that method obtain in other railways?

Mr. C. D. M. Hindley: The system working there has been in force for some time and it is giving good results. It has many advantages. It has this advantage that it enables wagon supply from headquarters to be made regularly and to make it in a fashion so as to meet the demands from outlying stations. That is to say, there is no question as a general rule that if a man offers a consignment at a station he will get the wagon the next day or as soon as possible; and that means that the station master himself, or other subordinate staff in connection with the work, have no opportunity or chance of making capital out of the fact that wagons are not coming along. (*Dr. K. G. Lohokare:* "May I know if the system obtains on other railways?") May I be permitted to continue my speech without interruption for a moment. This system is in force in the districts in the neighbourhood of Lahore. This is an extension of the registration system which is in force on all railways, and where the train control is being introduced it will be possible to introduce something of this kind or a modification of it. Now, Sir, I am not saying that this is an absolutely complete watertight system which is going to prevent any corruption in future. I do not believe it is and I do not suppose the House will expect me to believe it. But other methods are also being tried elsewhere which I will not weary the House with detailing, and they are all honest endeavours to put a practical stop to the complaints we have received on this matter, and I hope the Khan Bahadur, who has accused me and the Railway Agents of sitting down with folded hands and doing nothing, will realize from what I have said that the matter is being tackled and is being dealt with in a strenuous and energetic manner.

Dr. K. G. Lohokare (Bombay Central Division: Non-Muhammadan Rural): Sir, as regards corruption, I do not go to the length that my friend has gone, but I would suggest one or two things which may perhaps go a great way towards mending matters. I think this corruption lies more in the method of postings of the staff. When the staff is to be posted to a particular station I think there is some favouritism. I do not actually make that charge of corruption and I do not as well wish to make use of the privilege of my seat here because I have not the proofs here with me on which to base an actual charge. But I say there is some favouritism in giving these appointments at particular stations. If the postings were kept in the hands of the highest officers there would surely be no room for such corruption. That is one of the remedies that I earnestly recommend to the Railway Board.

The second is as regards the condition of the employees themselves. I think the low pay which they get is often the cause of corruption. If we can improve the lot of these people and then deal severely with all cases of detected corruption, I think we shall be helping a good deal towards stamping out corruption. I know the railway authorities are keen enough to prosecute, whenever they do catch a man red-handed, for I have seen those cases myself. But the fact remains that both in large stations and at small stations in order to maintain themselves these people fall victims to an inducement of adding to their small income.

The third thing is as regards the grievances of third class passengers. I might bring to the notice of the Railway Board the existence of the Railway Passengers' Associations and the necessity for encouraging them and allowing representative visitors from municipal towns to visit such stations in order that they might in their representative form place before the railway officials grievances of passengers. There are many grievances of this type. They can ordinarily be handled by the railway officials themselves, such as the keeping of passenger gates open a little earlier than is usually done even in big stations. In many cases you find the exit or entrance is so narrowly open that only one man at a time can get through; and consequently half an hour is often occupied in getting through. It might be possible for railway administrations to provide one or two additional gates and additional ticket checkers, and so meet the convenience of third class passengers and not detain them unnecessarily at the luggage scales or at the ticket offices and entrances. These little matters can be very well brought to the notice of the railway administration by the Passengers' Associations and these should be encouraged by the Railway Board, who, as well, should permit visitors from municipal bodies to discuss these questions with railway officials in order to ameliorate the complaints made. These are the things I commend to the consideration of the Railway Board.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muham-madan Urban): I rise to intervene in this debate in order simply to make an explanation. I find that this motion has engendered more heat than was necessary. I may at once say that this is a motion which, though it has been moved by a member of the Swaraj Party, was not considered important enough to be pressed to a division. But the turn that the debate has taken now compels the party to press it to a division. I do not by saying so make any charge either specific or general against the Railway Board or any particular person. I rely upon the fact, which is common knowledge, that there is corruption, and a good deal of corruption, among the railway servants. Beyond that I need not go, and I think that that fact alone is quite enough for this House to make up its mind as to which way its vote will go. I am sorry I was not listening to the speech of the Honourable Mover when he read it, and I cannot say how far I am in a position to agree with him and how far I am not. But I am sure the Honourable Mr. Duni Chand, who says he has made a well-considered statement, is well able to defend himself. Whether there is anything in it which requires further explanation or which should be withdrawn are matters on which I will not commit myself.

Mr. G. G. Sim (Financial Commissioner, Railways): May I point out that the particular statement made by the Mover was that the majority of railway subordinates are thieves or receivers of stolen property.

Lala Duni Chand: I did not say what is attributed to me. I have said what is in black and white. Here it is.

Pandit Motilal Nehru: It is a good thing that the speech delivered by my Honourable friend is written, or at least that portion of it which is taken exception to. I asked him, when my friend Sir Charles Innes and my friend Mr. Hindley were speaking, whether he had made the statements attributed to him. Lala Duni Chand assured me that he had not, but when he rose to explain he attempted to draw the attention of the House and of the Chair to what he had actually said, and upon that he was called to order. However, I am sorry to say that I can not even now read his speech as it is not available. It is in the hands of the reporters. But, as I have already submitted, I take my stand upon a fact which is very well known throughout the country. I do not think any Honourable Member of this House will deny what even my Honourable friend Sir Charles Innes could not deny, namely, that there is corruption not only in India but in all the railways of the world. Well, it is rather difficult—and I say so from my own personal experience—to draw the line between what is corruption and what is not. If tipping is corruption I must plead guilty to the charge of tipping railway servants not only in this country but in England and elsewhere, and more so on the Continent where you cannot get on without tips. But that there is a form of corruption quite distinct from tips there is no doubt: and that corruption it is the business of the Railway Board to take the necessary steps to prevent. The motion having been made and supported should be taken by the House to go only as far as the admitted facts are concerned and no further and I therefore ask the Honourable Members of this House to support it.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I also did not intend to intervene in this debate, but the Honourable Pandit Motilal Nehru has compelled me to do so. I understand he proposes to take this motion to a division because something transpired in the debate which he did not hear and which I did not hear. (Laughter.) He did not originally consider the question of corruption on the railways of sufficient importance to justify him in doing so. The point was equally before him before the debate took place and his first decision not to take it to a division was a wise one. I suggest that he should not deviate from it.

Mr. N. M. Joshi (Nominated: Labour Interests): I, Sir, only rise to protest against the suggestion that the corruption on the railways exists only among the subordinate employees. Sir, there is corruption on the railways, but it is not confined to any one section of its employees. The Honourable Sir Charles Innes said that those people who have any statements to make should make them outside this House. I thoroughly agree with him, but I may tell him for his information that the *Weekly Mazdur* of Lucknow has been week after week making certain allegations against officers, and the Railway Board has not taken action in connection with any one of them. If the Railway Board has made inquiries, it was the duty of the Railway Board to make the results of their inquiries public, but the Railway Board has not done that. Not only that but there was recently an instance that happened in Bombay. The statement was made that the employees of a certain railway workshop in Bombay were made to contribute a handsome sum towards the marriage gift of a European superior employed in that workshop. That

statement was published by Bombay papers. I should like to know from Sir Charles Innes and the Railway Board whether action was taken against any of these papers in Bombay, and whether any inquiry was made, and whether the result of the inquiry was published.

The Honourable Sir Charles Innes: I do not know anything about it. If my Honourable friend will supply me with a copy of the paper, I shall be very happy to look into the matter.

Mr. N. M. Joshi: I feel quite sure that the Agent in Bombay had seen these statements. Sir, the fact is this. There is no doubt that the Railway Board is unwilling to proceed against European superior servants, and that is the root cause of the corruption of the subordinate employees on the railways. (Hear, hear.)

The Honourable Sir Charles Innes: Sir, I must just deny absolutely the statement made by the Honourable Mr. Joshi. He has referred to the case of the *Weekly Mazdur*, a scurrilous rag in Lucknow. It is a question, it is always a question, when you are dealing with a scurrilous rag of that kind, whether it is the wiser course to advertise the paper by prosecuting it, or whether it is the wiser course to neglect the matter altogether. In this particular case the particular officers who had been charged by the *Weekly Mazdur* unfortunately had gone home. They have come back to India now, and the question of prosecution is under consideration.

Mr. President: The original question was:

"That a reduced sum not exceeding Rs. 9,07,900 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of the 'Railway Board'."

Since which an amendment has been moved.

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

The question that I have to put is that that reduction be made.

5 P.M. The Assembly divided:

AYES—36.

Abhyankar, Mr. M. V.
Abul Kasem, Maulvi.
Acharya, Mr. M. K.
Aiyangar, Mr. C. Duraiswami.
Aney, Mr. M. S.
Belvi, Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Duni Chand, Lala.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Hussanally, Khan Bahadur W. M.
Iyengar, Mr. A. Rangaswami.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Lohokare, Dr. K. G.
Mehta, Mr. Jannadas M.

Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Sayad.
Narain Dass, Mr.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Patel, Mr. V. J.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Sinha, Mr. Ambika Prasad.
Syamacharan, Mr.
Tok Kyi, Maung.
Venkatapatiraju, Mr. B.
Vishindas, Mr. Harchandrai.

NOES—50.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qiyum, Nawab Sir Sahibzada.
Ahmed, Mr. K.
Aiyer, Sir P. S. Sivaswamy.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Badi-uz-Zaman, Maulvi.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Chetty, Mr. R. K. Shanmu-
kham.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Dalal, Sardar B. A.
Fleming, Mr. E. G.
Graham, Mr. L.
Hindley, Mr. C. D. M.
Hira Singh, Sardar Bahadur Captain.
Hudson, Mr. W. F.
Innes, The Honourable Sir Charles.
Jajodia, Baboo Runglal.
Joshi, Mr. N. M.

Lindsay, Mr. Darcy.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra
Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saïyid.
Naidu, Mr. M. C.
Pal, Mr. Bipin Chandra.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur
M.
Rangachariar, Diwan Bahadur T.
Reddi, Mr. K. Venkataramana.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Sim, Mr. G. G.
Singh, Rai Bahadur S. N.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.

The motion was negatived.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 9,07,900, be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, . . ."

Mr. K. Rama Aiyangar: May I point out, Sir, that there is No. 14.

Mr. President: It has been conveyed to me that no other amendment would be moved.

The Honourable Sir Alexander Muddiman: I move that the question be now put.

Mr. President: The question is:

"That the question be now put."

The motion was adopted.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 9,07,900 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of the 'Railway Board'."

Mr. W. S. J. Willson: Sir, before that goes to the vote, I should like your permission to make some remarks I was on the point of making when I was, no doubt quite rightly, called to order on a debate under the subject of Branch Line Terms. I heard yesterday with very great regret the statement made by Sir Basil Blackett that in filling the next vacancy on the financial side of the Railway Board the scales would be quite definitely weighted in favour of an Indian. That statement, Sir, is sure to travel far and it will cause wide dissatisfaction. (*Diwan Bahadur T. Rangachariar:* "Why".) Sir, I ask seriously . . .

Mr. President: Order, order. I am afraid the Honourable Member is too late. The closure has been carried and I must put the question. The debate cannot be resumed.

Mr. W. S. J. Willson: If I may submit, your Deputy President said I would have a later opportunity.

Mr. President: The Deputy President cannot control the guillotine.

Mr. President: The question is:

“That a reduced sum not exceeding Rs. 9,07,900 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of the ‘Railway Board’.”

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Friday, the 27th February, 1925.

LEGISLATIVE ASSEMBLY.

Friday, 27th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock,
Mr. President in the Chair.

QUESTIONS AND ANSWERS.

STRENGTHS OF THE UNIVERSITY TRAINING CORPS.

1030. ***Khan Bahadur Sarfaraz Hussain Khan:** Will the Government be pleased to state the strength fixed for each of the several University Training Corps in India?

Mr. E. Burdon: I lay on the table a statement showing the present constituted strengths of the 6 battalions and 2 companies of University Training Corps.

Statement showing the present constituted strengths of the University Training Corps.

Units.	Authorised Establishments.
1st (Bombay) Battalion, University Training Corps . . .	664
2nd (Calcutta) Battalion, University Training Corps . . .	664
3rd (United Provinces) Battalion, University Training Corps . . .	664
4th (Lahore) Battalion, University Training Corps . . .	664
5th (Madras) Battalion, University Training Corps . . .	664
6th (Burma) Battalion, University Training Corps . . .	664
7th (Patna) Company, University Training Corps . . .	165
9th (Delhi) Company, University Training Corps . . .	165

UNIVERSITY TRAINING CORPS.

1031. ***Khan Bahadur Sarfaraz Hussain Khan:** (a) Will the Government be pleased to state whether any of the Universities has applied to the Government of India for raising the strength of its Training Corps?

(b) If so, will they please name them?

Mr. E. Burdon: (a) and (b). No application has, so far, been received from any University asking for the strength of its Training Corps to be raised.

REPORT OF THE CIVIL JUSTICE COMMITTEE

1032. ***Mr. K. Venkataramana Reddi:** Will Government be pleased to state when the Report of the Civil Justice Committee will be made available to the public and whether opportunity will be given to this House to express its opinion on the Report before any action is taken by Government upon it?

The Honourable Sir Alexander Muddiman: The date of the publication of this Report must depend upon when the Press will be able to supply us with the necessary number of copies, and I do not yet know when that will be, though I hope to receive information in a few days. In regard to the second part of the question I can only say that I have not yet examined the Report in detail. I have, however, seen that many of the recommendations in it will involve proposals for legislation which must be brought before this House.

REPRESENTATION OF INDIA AT THE INTERNATIONAL PRISON CONGRESS.

1033. ***Mr. K. Venkataramana Reddi:** Are Government aware that the International Prison Congress will be held in August this year? Will Government be pleased to state whether India will participate in the said Congress; if not, will Government be pleased to consider the desirability of India being represented in the Congress?

The Honourable Sir Alexander Muddiman: Yes: India will be represented by Lieutenant-Colonel W. Gillitt, C.I.E., M.D., I.M.S., Inspector General of Prisons, Bihar and Orissa.

INDIGO MANUFACTURE IN INDIA.

1034. ***Mr. K. Venkataramana Reddi:** (a) Are Government aware that indigo manufacture in India has decreased considerably owing to depression in the trade?

(b) Will Government be pleased to state whether they have investigated or propose to investigate into the causes which brought about the depression?

(c) If the answer to the former part of the question in clause (b) is in the affirmative, will Government be pleased to state them in detail?

(d) Do Government contemplate any action to give an impetus to the revival of the indigo trade in India on a large scale? If not, why not?

Mr. J. W. Shore: The matter is under inquiry and a reply will be sent later to the Honourable Member.

ACCIDENTS IN THE STONE-YARD OF THE IMPERIAL CAPITAL WORKS, DELHI.

1035. *Mr. K. Venkataramana Reddi: Will Government be pleased to state the number of workers, if any, who have died or been seriously injured disabling them for life, in the stone-yard of the Imperial Capital Works, Delhi, giving details in each case as to the cause of each accident and its result? What compensation, if any, has been paid to them or their families?

The Honourable Sir Bhupendra Nath Mitra: There have been altogether 13 accidents in the stone-yard during the last nine years, 4 of which have been fatal. Of the 9 who were more or less seriously injured none were totally disabled. I lay on the table a statement giving details of each case. No compensation was paid by Government. In one case the family of a labourer who met his death was paid Rs. 300 by the contractor under whom he was employed.

List of Fatal Accidents at the Stone-yard.

Serial. No.	Name.	Cause of accident.	Date of accident.	REMARKS.
1	Manga . .	Fall, due to coming in contact with an electric main while attending to a travelling crane.	27-1-1919	This man was working the head traveller and went up aloft to put the chain right which had come off the wheel. He came in contact with the contact wire for the electric traveller working in the next shed.
2	Lalia . .	Lifting of a heavy stone by a crane. The edge of the stone held by the dog broke. Workmen are aware of this danger but disregard it through familiarity.	18-3-1923	Unavoidable accident.
3	Yousuf . .	Fell from a height of 6 feet; no outward injuries.	6-9-1923	Died 12 hours after accident.
4	Lachhman . .	A heavy stone about a ton in weight slipped and fell from a trolley.	17-10-1924	Lachhman Stonemason, was working on the ground, when a stone fell from a trolley on top of him. Orders disregarded regarding keeping clear of trolley mainly through familiarity of the work. Rs. 300 paid to his brother, by contractor R. S. Bhatia Singh.

List of accidents involving injuries at the Stone-yard.

Serial No.	Name.	Cause of accident.	Date of accident.	REMARKS.
1	Sukhai . . .	Fall of a stone on her fingers.	8-5-1916	3 fingers of right hand and 1 of left crushed.
2	Mahammad Ilyas	Oiling a crane . . .	24-7-1916	2 fingers of right hand crushed.
3	Chanta . . .	Do. . .	16-8-1916	Right hand crushed.
4	Abdulla . . .	Cleaning a stone cutting machine.	17-5-1917	Little finger fractured, palm of hand crushed.
5	Gopal . . .	Struck by a stone whilst passing a stone cutting machine.	14-6-1917	Right foot crushed, extent of wound 4" x 3".
6	Ghisa . . .	Lubricating a stone cutting machine.	10-8-1917	2 fingers badly crushed and one fractured.
7	Ram Hans . . .	Entangled in belting of main shafting at a height of 15 ft. above ground, and was thrown down.	17-11-1917	This man was hurt by main shafting about 15' above ground, his loose coat being caught by belting bringing him to the ground. He had no right to be there, it is the oilman's duty only to be there whilst machines are working. All counter-shafts at ground levels are protected.
8	Tirkha . . .	While handling a stone in the lifting machine, the hooks slipped and the stone crushed his foot.	5-12-1917	Foot badly crushed. Paid his salary while unfit for work.
9	Tukki . . .	Contact with an electric main while engaged in erecting a shed.	15-5-1922	Touched the main electric wire 400 Volt while working on erection of new shed.

CAPITAL EXPENDITURE OF VARIOUS RAILWAYS.

1036. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

- the total amount of capital expenditure sanctioned for each of the railways for each of the years from 1919-20 to 1924-25,
- the actual expenditure which was incurred by each of the railways,
- the reason for any excess or deficit over these figures as the case may be?

Mr. G. G. Sim: (a), (b) and (c). It is presumed that the Honourable Member refers to a comparison of capital expenditure for each of the years 1919-20 to 1924-25 with the sanctioned grants for those years. If so, the information is available from the Audit and Appropriation Reports by the

Accountant General Railways for 1919-20 to 1922-23, copies of which have been placed in the Library. Similar Reports for 1923-24 and 1924-25 will also be placed in the Library of the House as soon as they are ready. The Reports for the years 1919-20 and 1920-21 only show the total capital expenditure compared with the total sanctioned grant for all railways. The information for each railway for those years will be supplied to the Honourable Member if he requires it.

QUINQUENNIAL PROGRAMMES OF CAPITAL EXPENDITURE FOR THE
VARIOUS RAILWAYS.

1037. ***Mr. Jamnadas M. Mehta:** (i) Will Government be pleased to explain why they have not put forward, as arranged at the time of the consideration of the report of the Railway Finance Committee by the Assembly, particulars of quinquennial programme for capital expenditure at the conclusion of three years after the beginning of the first five-year programme?

(ii) Will Government make these particulars available this session?

(iii) If not, why not? When will Government announce those particulars?

Mr. G. G. Sim: As has been stated in the Report by the Railway Board on Indian Railways for the last two years, the quinquennial programmes have been completely overhauled as recommended by the Retrenchment Committee. The present position is that on some railways it has been found possible to approve of a tentative programme for the next five years but each programme is being continuously overhauled and it is hoped that it will be possible soon to put forward before the Standing Finance Committee the individual programmes for each railway.

ENCOURAGEMENT OF RAILWAY INDUSTRIES.

1038. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

(a) what encouragement they have succeeded in giving to railway industries in India as the result of the report of the Railway Industries Committee and of the promises which were held out at the time of the passing of the last five-year capital programme?

(b) Have any complaints been received by Government with regard to the Stores Rules recently passed as affecting railway industries in the country?

(c) What portion of the capital expenditure incurred up-to-date has been incurred in India for articles of Indian manufacture and what percentage it forms of the total outlay?

(d) Have Government any further programme in view in order to secure the results, which they had aimed at on that occasion?

Mr. G. G. Sim: (a) The actual recommendation of the Railway Industries Committee was that, if a Tariff Board were constituted and the question whether protection should be extended to the steel industry were submitted to that Board for examination, it should be instructed also to investigate the wagon, locomotive, and similar industries, to consider the bearing on such industries of any proposals it might make in respect of steel, and to make such recommendations as it might think fit in regard

to these industries. The Committee also pointed out that the industries with which they were concerned could not be taken in isolation and separately from the steel industry as a whole and that the existence of a healthy steel industry was a condition precedent to the establishment in India of the manufacture of wagons and locomotives on really sound and healthy lines.

As the Honourable Member is aware, the steel industry has now been encouraged by the imposition of protective duties and the wagon industry by the grant of bounties. The Tariff Board have also examined the question whether any protection should be given to the locomotive building industry, but were unable to make any recommendation except that special consideration should be given to one particular firm. That special consideration has been extended to the firm.

(b) No.

(c) Information in the form required is not available but I lay on the table a statement showing the total value of imported and indigenous materials purchased by the principal railways in 1922-23 and 1923-24 both for the capital programme and for programme and ordinary revenue purposes.

(d) The Government of India are considering whether they should not refer to the Tariff Board for inquiry the position of the engineering industry with regard to the manufacture of many articles in common use on railways, e.g., various component parts of wagons.

Year.	Imported materials (Rs. Crores.)	Indigenous materials (Rs. Crores.)	Total purchases.	Percentage of indigenous materials on total purchases.
1922-23 . . .	21.69	9.17	30.86	29.71
1923-24 . . .	18.79	8.27	27.06	30.05

Note.—The figures under indigenous materials do not include coal, coke, stone, bricks lime, ballast, etc., which are ordinarily purchased in India.

Mr. Jamnadas M. Mehta: Is the House to understand that the locomotive industry at any rate is not going to come into existence for several years?

Mr. G. G. Sim: Yes, Sir.

ORDERS FOR INDIAN RAILWAYS PLACED WITH THE SAXON CARRIAGE AND WAGON WORKS OF GERMANY.

1039. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

- What orders for Indian railways have gone to the Saxon Carriage and Wagon Works of Germany as announced recently in the press?
- How did these prices compare with prices in the United Kingdom and prices in India?
- Do Government intend to encourage Empire manufacturers, i.e., manufacturers in the United Kingdom and manufacturers in India, the latter on lines approved of by Legislature under the Indian Steel (Protection) Act?

Mr. G. G. Sim: (a) and (b). Government have no information.

(c) It is not the present policy of Government, when placing orders outside India, to give preference to goods of Empire manufacture. Empire manufacturers are required to tender on the same terms and conditions as manufacturers in other countries outside India. As regards manufacturers in India, the provisions of the Steel Industry (Protection) Act, 1924, and the Rules for the purchase of stores for Public Service will be given full effect to by Government in order to encourage Indian industries.

MANUFACTURE OF RAILWAY WAGONS IN INDIA.

1040. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

- (a) The wagon building capacity of manufacturers in India who have set up wagon works?
- (b) The requirements of the Government of India for this year and for the next three years?
- (c) How do Government propose to keep the wagon works going by distributing their requirements amongst them and what provisions have they made to carry out the intentions of the Indian Steel (Protection) Act, particularly with reference to the variation in exchange since the passing of that Act?

Mr. G. G. Sim: (a) On such information as is in their possession, the Government of India think that manufacturers of wagons in India might be able to deliver between 2,800 and 3,300 wagons in 1925-26.

(b) In 1924-25, 3,325 wagons for all the railways joining in the combined tender for wagons, of which 1,070 were A2 and 1,445 C2 wagons. In 1925-26, 4,175 wagons for the same railways, of which 1,510 are A2 and 1,450 C2. I mention the figures for A2 and C2 wagons since these are the types to which a bounty is at present attached. The Honourable Member will remember that the Tariff Board recommended that in the interests of the industry the bounty should be confined to as few types as possible, and these types were selected since it is of them that our purchases are usually largest.

It is not possible to give any estimate of the requirements in 1926-27 or 1927-28.

(c) On orders already placed, there will remain about 2,275 A2 and C2 wagons to be delivered by Indian manufacturing firms in 1925-26, and further orders for 480 A2 and 425 C2 type wagons have recently been offered to Indian firms. Any effect of the rise in exchange in raising the Indian manufacturer's cost of production is neutralised by an increase in the amount fixed as the bounty per wagon.

DECREASE IN THE EXPORT OF COTTON YARN AND MANUFACTURES.

1041. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

- (a) Whether their attention has been drawn to the decrease in the export of cotton yarn and manufactures from India by two crores of rupees in the last year under report?
- (b) Whether Government are aware that the export of cotton yarn and manufactures from India has been on the decline and that markets, which were formerly available for this country, are being captured by other countries?
- (c) Have Government any steps under consideration for safeguarding the industry of the country, and, if so, what are those steps?

Mr. G. G. Sim: (a) The declared value of cotton manufactures exported from India in 1923-24 was 2 crores below that of the previous year. To some extent, this was due to a fall in the value of goods, as there were actual increases in the quantities of piece-goods, handkerchiefs, miscellaneous cotton manufactures and canvas exported. There was a considerable fall in the quantity of yarn exported.

(b) As already explained, there has been a decline in the exports of yarn, but the exports of piece-goods have been maintained and were, for the first 9 months of the current year, somewhat in excess of those for the same period in the preceding year. The largest decrease has been in the exports of yarn to China, owing probably to the development of the local industry and increased competition.

(c) The Government are not aware that special measures for safeguarding this industry are required.

PLACING OF CERTAIN COPIES OF BRITISH ACTS IN THE LIBRARY OF THE LEGISLATIVE ASSEMBLY.

1042. ***Mr. Jamnadas M. Mehta:** (1) Will Government be pleased to place in the Library a copy of the following measures of the United Kingdom?

- (a) Anti-dumping Act and rules made thereunder.
- (b) Safeguarding of Industries Act and rules made thereunder.
- (c) Trade Facilities Act and the rules made thereunder.
- (d) Scheme for export credits.

(2) Will Government be pleased to state whether there are any provisions in India corresponding to these Acts and the rules under them?

Mr. L. Graham: 1. The Public General Acts from 1921 are in the Library and for the earlier years Chitty's Statutes are available.

The volumes of Statutory Rules and Orders are not at present in the Library, but a complete set will be obtained and placed there. In the meantime the Librarian has been instructed to keep the copy belonging to the Legislative Department Library at the disposal of Honourable Members.

(2) The only British Indian Act which is in any way *in pari materia* with the measures referred to is the Steel Industry (Protection) Act, 1924.

PRINTING OF GOVERNMENT SECURITIES, STAMPS AND CURRENCY NOTES IN INDIA.

1043. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state what progress they have made with regard to the printing of Government securities, postage stamps and Indian currency notes in India?

The Honourable Sir Basil Blackett: The Security Printing Press is under construction at Nasik Road at present and it is expected that the actual printing of stamps will commence early in 1926. It is the intention of the Government of India to take up the question of printing Government security forms and currency notes at the Press as soon as it is possible to do so in the light of the experience gained in printing stamps. The present contract with the Bank of England for the printing of currency notes runs until 30th June, 1929.

Khan Bahadur W. M. Hussanally: May I know what would happen to the establishments which are now being maintained in connection with stores and other things at various places like Karachi, Madras and other places? Are these to be transferred to Nasik, or discharged or embodied in other departments?

The Honourable Sir Basil Blackett: I think the Honourable Member is referring to storage centres, which, like the flowers that bloom in the spring, have nothing to do in the case.

QUESTIONS DISCUSSED BY SIR BHUPENDRA NATH MITRA WITH HIS MAJESTY'S GOVERNMENT.

1044. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

- (a) What were the specific questions, which Sir B. N. Mitra took with him for discussion with His Majesty's Government at the other end?
- (b) What was the conclusion reached in each case?
- (c) Do Government propose before committing this country finally to any settlement to give this Assembly an opportunity of considering these provisional conclusions?

The Honourable Sir Basil Blackett: The Honourable Member is referred to the reply given on the 23rd ultimo, to Khan Bahadur Sarfaraz Hussain Khan's question on this subject.

INDIA'S WAR CONTRIBUTIONS.

1045. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

- (a) The different dates, on which India's war contributions were paid and the manner in which the remittances were arranged and the credits settled?
- (b) The balance remaining under this heading now to be settled?
- (c) Has India paid any interest on outstanding balances under this head during the last five years?
- (d) If so, at what rate has this interest been paid?
- (e) Has India recovered any interest from the United Kingdom for any balances of Indian money due from His Majesty's Government, which were not paid on due dates during any time after 1914?

The Honourable Sir Basil Blackett: (a) The contributions to the war, paid from the revenues of the Government of India, other than the special contribution of £100 millions to which I shall refer later, amounted to £46,808,000, which is made up of (i) £33,203,000 being the ordinary maintenance charges of the troops, etc., of the permanent establishment sent from India to the various Indian Expeditionary Forces and (ii) £13,600,000 being a part of the additional assistance offered in pursuance of the Resolution of the Indian Legislative Council in September 1918. The first item was accounted for by reducing the Government of India's claim for expenditure recoverable from His Majesty's Government in each year from 1914-15 and the second item similarly in 1918-19. In addition to the amount of £46,808,000 mentioned above, Indian revenues were charged

with the difference between the normal cost of British troops withdrawn from the Indian establishment at the outbreak of the war and the actual cost of the Territorial Forces which replaced them: this amount does not appear in the accounts separately.

(b) Until the settlement of outstanding financial matters under discussion between His Majesty's Government and India has been effected, it is not possible to say whether any balance remains against India.

(c) and (d). In the circumstances the question of interest has not arisen.

(e) As regards recoverable war expenditure which formed the large bulk of India's claims against His Majesty's Government after 1914, the information is contained in the answer to clause (d) of the Honourable Member's starred question No. 332 asked on 18th February 1924.

As regards the special contribution of £100 millions, the position is that the Government of India took over the liability for that amount of the 5 per cent. British War Loan, 1929-47. This of course involved the payment of interest on outstanding balances of principal. Of the principal, about £77½ millions were extinguished by transfer of the proceeds of the Indian War Loans and a further sum of about £3½ millions was extinguished by Sinking Fund payments up to the 31st March 1924, leaving, on that date, a balance of about £19½ millions. I place on the table a statement showing the principal extinguished and the interest paid in each year.

Statement showing the amount of the British War Loan, 1929-47, redeemed and the interest paid, on behalf of the Government of India.

Year.	Amount redeemed.	Interest paid.
	£	£
1917-18	35,941,592	3,340,133
1918-19	33,415,000	2,682,736
1919-20	9,365,395	1,394,532
1920-21	572,656	1,063,901
1921-22	506,009	1,035,268
1922-23	491,400	1,009,967
1923-24	442,050	985,397
Total	80,734,102	11,511,934

STERLING BALANCES WITH THE SECRETARY OF STATE FOR INDIA.

1046. *Mr. Jamnadas M. Mehta: Will Government be pleased to state:

(a) Why they had a sterling balance of £26 millions in October 1923 with the Secretary of State?

(b) How did this balance accumulate?

(c) What are the methods for deciding sterling balances with the Secretary of State and how far have the forecasts prepared by the Finance Department proved true during the last five years?

(d) How has the sterling balance with the Secretary of State been invested and what interest has been realised on it for each month from 1919-1920 to 1924-1925?

The Honourable Sir Basil Blackett: (a) and (b). The balance of £26 millions at the end of October 1923 was due to the large receipts from the 4½ per cent. Loan of £20 millions raised in May 1923, the last instalment of which was received in October 1923.

(c) In conducting their remittance operations, the Government of India are guided not only by the needs of the Secretary of State but also by the state of the Exchange and money markets. And such forecasts as may be framed are necessarily provisional.

(d) The greater portion of the Secretary of State's balances is invested in Treasury Bills. Of the £26 millions referred to in the question, a little over £25 millions was so invested and the balance was left with the Bank of England. It is not possible to state what interest was realised for each month but the following statement gives the amount realised in each year:

	£
1919-20	362,558
1920-21	187,858
1921-22	228,341
1922-23	153,152
1923-24	387,885

REPURCHASE OF THE TWO MILLION GOLD SOLD AT A PREMIUM OUT OF THE PAPER CURRENCY RESERVE DURING 1923-24.

1047. ***Mr. Jamnadas M. Mehta:** Will Government be pleased to state:

- What is the premium on gold to-day?
- Whether they intend to repurchase the two million gold which they had sold at a premium out of the Paper Currency Reserve during 1923-24?
- Why have no steps been taken to repurchase this gold as promised at that time and as indicated in the last currency report?
- Will Government take steps to make the necessary purchase by reducing the sterling securities of like amount from the Paper Currency Reserve?

The Honourable Sir Basil Blackett: (a) The premium on the 16th February was 1s. 10½d. per fine oz.

(b) to (d). The Government have come to no decision on this point at present. The transaction undertaken last year could undoubtedly be reversed now at a considerable profit, but it is arguable whether the most profitable moment has yet arrived and in view of the strong metallic position of the reserve there appears to be no immediate reason for incurring the loss of interest involved by holding gold rather than securities.

INDIA'S CONTRIBUTION TO THE BRITISH TREASURY ON ACCOUNT OF THE PRIVY COUNCIL.

1048. ***Mr. Ahmad Ali Khan:** Will Government be pleased to state what contribution, if any, is made to the British Treasury for the services of the Judicial members of the Privy Council for hearing appeals from India?

The Honourable Sir Alexander Muddiman: No such contribution is made to the British Treasury.

Mr. Gaya Prasad Singh: Is there any proposal that for the strengthening of the Judicial Committee of the Privy Council a part of the cost will fall on India?

The Honourable Sir Alexander Muddiman: I should like notice of that.

THE AGRICULTURAL RESEARCH INSTITUTE, PUSA.

1049. ***Mr. Amar Nath Dutt:** (a) With reference to the Government reply to starred question No. 27 asked in the Legislative Assembly on the 1st February, 1924, will the Government be pleased to state whether the inquiries they promised to make, have been completed?

(b) If so, will the Government please communicate to the House the result of such inquiries?

Mr. J. W. Bhore: The Honourable Member is under a misapprehension. In replying to Mr. Gaya Prasad Singh's question on the 1st February 1924, Government did not promise to make any inquiries.

LEAVE OF THE SUBORDINATE STAFF AT LALMONIRHAT ON THE EASTERN BENGAL RAILWAY.

1050. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state if it is a fact that the lower subordinates and the staff of the inferior establishment in the Traffic Department at Lalmonirhat, Eastern Bengal Railway are not granted leave for want of relief?

(b) If the answer to (a) be in the affirmative, will the Government please state the reason why a sufficient staff is not posted there?

(c) Will the Government please inquire and inform the House as to how many men are waiting for leave for over three months after their applications for such leave have been registered?

Mr. G. G. Sim: (a), (b) and (c). The Honourable Member is referred to the reply given to a somewhat similar question No. 1454 on the 11th June, 1924.

RECRUITMENT OF STAFF OF THE ENGINEERING DEPARTMENT, EASTERN BENGAL RAILWAY.

1051. ***Mr. Amar Nath Dutt:** (a) Will the Government please place a statement before the House showing therein separately how many Bengalis, Punjabis, Anglo-Indians and Europeans have been recruited and posted permanently and temporarily in the upper subordinate and superior establishment of the Engineering Department in the Eastern Bengal Railway in the years 1920, 1921, 1922, 1923 and 1924?

(b) Will the Government please also state whether the Eastern Bengal Railway authorities tried at all to get passed candidates of Calcutta Sibpore Engineering College and other colleges of Bengal before appointing new men to train them in those duties and to post them as Inspectors of Works and so on?

(c) If not, why not?

Mr. G. G. Sim: (a) Government have not got the information and do not propose to call for it.

(b) and (c). The matter is one within the competence of the Agent, Eastern Bengal Railway, and, provided there are vacancies and suitable candidates offer, there is little doubt that he will entertain their applications.

RECRUITMENT OF ASSISTANT ENGINEERS ON THE EASTERN BENGAL RAILWAY.

1052. ***Mr. Amar Nath Dutt:** Will the Government be pleased to state if it is a fact that some outsiders have been appointed as Assistant Engineers in the Eastern Bengal Railway in preference to senior Sub-Engineers who are already in the service on that Railway in spite of a Government order to the effect that such Sub-Engineers are to be promoted to the post of Assistant Engineers for the reason that the Overseer course of the Calcutta Engineering College has been done away with?

(a) If so, why?

(b) How many Sub-Engineers are there in the Eastern Bengal Railway?

Mr. G. G. Sim: (a) No outsiders have been so appointed. On the contrary 2 Sub-Engineers have been promoted on the Eastern Bengal Railway in the last 3 years. If however, the Honourable Member refers to the appointment of temporary engineers I may say that such appointments are strictly in accordance with the orders approved by the Secretary of State.

(b) The Honourable Member will find particulars in the Classified List, a copy of which is in the Library.

RESOLUTION REGARDING THE RELEASE OF POLITICAL PRISONERS.

Lala Duni Chand: I have to put the following question of which the Honourable Home Member has accepted private notice:

(a) Are Government aware that the Resolution regarding the release of political prisoners has been drawn in the ballot three times since the present Assembly came into existence?

(b) Are Government also aware of the existence of a strong feeling in the House in favour of the said Resolution being taken up as shown by a large number of the Honourable Members of this House having given notice of it several times?

(c) Are Government aware that on the agenda of 19th February 1925, the said Resolution occupied the second place and would have been certainly taken up but for the fact that the prolonged discussion of the Resolution regarding the establishment of a Military College in India, which was allowed to be merely moved on a previous day, left no time for this Resolution being taken up?

- (d) Will the Government, in view of the above facts, be pleased to make arrangements for this Resolution being taken up in this session whether it is drawn in the ballot or not?

The Honourable Sir Alexander Muddiman: (a) Yes. *

(b) Government have noted that a considerable number of Honourable Members have given notice of the Resolution.

(c) I trust that the Honourable Member is not inviting me to make any imputation of prolixity against any other Honourable Members.

(d) I should have welcomed an opportunity of explaining the views of Government on the Resolution, but I cannot interfere with the operation of the ballot which, as the Honourable Member will recognise, secures to all Honourable Members equality of opportunity in raising questions of public importance for debate. In view of the state of public business and the possible demands on Government time, I am not in a position to give a Government day this session.

Lala Duni Chand: Are the Government going to give any day at all for non-official Resolutions in March?

The Honourable Sir Alexander Muddiman: I will make an announcement on that point later.

STATEMENT OF THE FINANCE MEMBER REGARDING THE APPOINTMENT OF AN INDIAN ON THE RAILWAY BOARD.

Sir Campbell Rhodes: Sir, I wish to ask the Honourable Member a question of which I have given him private notice.

With reference to the statement of the Honourable the Finance Member on the 25th instant to the effect that in making a certain appointment the scales would be definitely weighted in favour of an Indian, are Government aware that such a declaration is calculated to discourage the services and suggests an inference which would be unjust to the distinguished Indian Members and Secretaries of the Government?

The Honourable Sir Alexander Muddiman: Sir, I think my Honourable friend, no doubt quite unconsciously, misrepresents the Finance Member, by the omission of the context. What the Honourable the Finance Member said was as follows:

"Whether when the time comes the most suitable candidate will be an Indian or will not be an Indian is a matter on which it is quite impossible to prophesy but I would venture to say this that the scales would be weighted quite definitely in favour of the Indian candidate when the time comes."

It is quite obvious that the Finance Member by that implied *ceteris paribus*—other things being equal. A statement of that kind, so qualified having regard to the present composition and duties of the Board, of which the appointment in question is a part, is not in my opinion calculated either to discourage the services or to suggest inferences.

Sir Campbell Rhodes: Sir, I may say that I will heartily welcome the strengthening of the Railway Board by the inclusion of a qualified Indian.

Mr. K. Ahmed: That does not arise. (Laughter).

UNSTARRED QUESTIONS AND ANSWERS.

FOREST ENGINEERING SERVICE.

145. **Baboo Runglal Jajodia:** Will the Government be pleased to state:-

- (a) the steps they have taken to give effect to the recommendations of the Indian Industrial Commission (i) by the creation of an expert service of Forest Engineers, and (ii) by making provision for the training of Forest Engineers in India?
- (b) the results achieved thereby?

Mr. J. W. Bhore: (a) (i) The creation, as an experimental measure, of an expert service of Forest Engineers was sanctioned in 1919 and the first batch of recruits arrived in India, after completing their training in America and Canada, towards the end of 1921.

(ii) The service is still in an experimental stage and further recruitment is for the present in abeyance. Unless and until it is decided to resume direct recruitment, the question of training in India cannot be taken up for consideration.

(b) Local Governments under whose direct control the Forest Engineers are employed are generally of opinion that the latter are doing useful work in connection with the exploitation of forests.

RECOMMENDATIONS OF THE INDUSTRIAL COMMISSION.

146. **Baboo Runglal Jajodia:** Will the Government be pleased to state the steps they have taken to give effect to the recommendations of the Indian Industrial Commission:

- (a) by the creation of an Indian Chemical Service and the recruitment for such services from the Indian Universities and Institutes?
- (b) by the stoppage of research work on Indian problems in overseas countries?
- (c) by encouragement to the foundation of scientific and technical schools and societies in India on the lines of London Institutes?
- (d) by the compilation of a classified statement of stores purchased in India and abroad?
- (e) by the grant of technical assistance to industries of national economic importance?
- (f) by the creation of an Industries Board and arranging for the recruitment of Indian Industrial Service in India?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member is no doubt aware that the Indian Industrial Commission submitted its report before the introduction of the reformed system of Government. If he will refer to the Devolution Rules he will find that most of the recommendations made by the Commission relate to subjects which have been classified as Provincial Reserved or Provincial Transferred. It therefore rests with the Provincial Governments to take whatever action they consider necessary on these recommendations. As regards the particular recommendations which are referred to in the Honourable Member's question the position is as follows:

(a) and (f). The Provincial Governments were all opposed to the creation of an Indian Chemical Service and an Indian Industrial Service and no action has consequently been taken.

(b) Presumably the Honourable Member is referring to the recommendation contained in the last sentence of paragraph 132 of the Commission's report, namely, that there is "no longer any justification for the expenditure of Indian revenues on the Scientific and Technical Departments of the Imperial Institute." The constitution of the Institute has been completely revised by an Act of Parliament since the Commission submitted its report and it has absorbed the Imperial Mineral Resources Bureau. With the approval of the Standing Finance Committee of this House (*vide* Proceedings of the Committee, Volume III, No. 5, page 3) the Government of India have recently agreed to contribute £1,200 a year for 5 years to the Institute.

(c) This is primarily for consideration by the Provincial Governments. I may in this connection mention for the Honourable Member's information that an Institution of Engineers (India) recommended by the Commission has since been established which has its headquarters at Calcutta.

(d) The actual recommendation of the Commission was that the annual report of the Indian Stores Department should include a classified statement of the articles obtained in India and abroad and the prices paid. No statement of the kind is incorporated in the annual administration report of the Indian Stores Department but a statement of contracts placed by that department in this country is published weekly in the Indian Trade Journal. It has also been decided to publish bi-monthly a classified list of stores indented for from the London Stores Department.

(e) This is primarily for consideration by Provincial Governments.

GRANT OF SPECIAL RAILWAY RATE CONCESSIONS TO INDIAN INDUSTRIES.

147. **Baboo Runglal Jajodia:** Will the Government be pleased to state what steps have been taken for the grant of special rate concessions to Indian industries as recommended by the Indian Industrial Commission?

Mr. G. G. Sim: The Honourable Member is referred to the reply given in this Assembly on 22nd September, 1924 to question No. 447.

ESTABLISHMENT OF COMMERCIAL COLLEGES, ETC.

148. **Baboo Runglal Jajodia:** Will the Government be pleased to state what steps have been taken to give effect to the recommendations of the Indian Industrial Commission:

(a) by the establishment of commercial colleges with the co-operation of commercial men?

(b) by the establishment of Indian trade agencies outside India?

(c) by the observance of neutrality in matters of adulteration of raw produce for exports of local manufacture, leaving the question to the trade itself?

The Honourable Sir Charles Innes: (a) The recommendation by the Indian Industrial Commission was that the Universities should consider the possibility of developing commercial courses. The establishment of colleges is a provincial transferred subject.

(b) There is an Indian Trade Commissioner in London and after the war an Indian Trade Commissioner was appointed to East Africa. That post was abolished at the recommendation of the Inchcape Committee.

(c) If the Honourable Member has any specific complaints he should mention them.

COLLECTION OF USEFUL OCCUPATIONAL STATISTICS.

149. **Baboo Runglal Jajodia:** Will the Government be pleased to let this House know what steps have been taken for the collection of useful occupational statistics as recommended by the Indian Industrial Commission?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member is referred to the volumes containing the results of the recent census and more particularly to Chapter XII of Part I, Volume I.

OPIUM CONFERENCE AT GENEVA.

150. **Baboo Runglal Jajodia:** (a) With reference to the reply given in connection with my question No. 612 will Government be pleased to indicate the subsequent development of the opium question in the League Conference?

(b) Will Government be also pleased to give this House an idea as to the line of action they propose to favour and recommend?

The Honourable Sir Basil Blackett: The Government have not yet received the official report of the proceedings of the Geneva Conference and they are therefore not in a position to make any statement on the subject at present.

FOREMEN AND ASSISTANT FOREMEN IN THE EASTERN BENGAL RAILWAY WORKSHOPS.

151. **Baboo Runglal Jajodia:** With reference to answer to my question No. 615 (a) will Government be pleased to state the total number of Indians under training for appointment as Foremen and Assistant Foremen in the Eastern Bengal Railway workshops?

(b) Will Government also state how long the two Indians have been under training and when they are expected to complete their course?

(c) What is the reason for the paucity of apprentices for the class of appointment and do the Government propose any remedy?

Mr. G. G. Sim: (a) and (b). The Honourable Member is apparently under some misapprehension in this matter. The posts of Foremen are ordinarily filled by selection of men whose practical experience, technical knowledge and ability to handle labour fit them for the position. In order to train promising apprentices for this purpose a technical school has been established at Kanchrapara to give them a better technical training so that they will after obtaining further practical experience on completion of their apprenticeship become likely Foremen or Assistant Foremen.

(c) Government have no information but the whole question of facilities for training railway staff is at present under consideration.

DEPOT STOREKEEPERS AND SUB-STOREKEEPERS ON THE EASTERN BENGAL RAILWAY.

152. **Baboo Runglal Jajodia:** With reference to answers to my questions Nos. 619, 620 and 622 will Government be pleased to state:

(a) Whether it is a fact that experienced Indian subordinates promoted to the rank of Depot Storekeepers and Sub-Storekeepers of the Eastern Bengal Railway Stores Establishment are placed on a lower scale of pay than the young Anglo-Indians and Europeans newly recruited to the posts referred to?

- (b) Is it also a fact that the Indians thus promoted are at a disadvantage as regards leave rules, use of free passes and other like privileges as well?
- (c) When were the four Indian Assistant Controllers of Stores appointed and were they recruited from outside?
- (d) What is the total strength of Depot and Sub-Storekeepers and what is the percentage of Indians in the respective ranks?
- (e) What are the qualifications required of probationers admitted for the posts referred to in (d) and what arrangements are maintained for the training of Indians for appointment (other than by promotions of the staff)?

Mr. G. G. Sim: The Government have no information.

REDUCTIONS IN ESTABLISHMENT IN CONNECTION WITH THE REORGANISATION
SCHEME ON THE EASTERN BENGAL RAILWAY.

153. Baboo Runglal Jajodia: (a) Will Government be pleased to state whether any reductions in establishment in connection with the reorganisation scheme has been effected in the Eastern Bengal Railway? If so the percentage of reductions of total strength and of Indians and Anglo-Indians may kindly be indicated.

(b) Will Government please state if officers, both superior and subordinate, were also reduced? If so to what extent?

Mr. G. G. Sim: (a) and (b). If the Honourable Member refers to the inauguration of the "Divisional System of Working", the scheme so far as the Eastern Bengal State Railway is concerned is still under consideration and no details can be given.

ADDITIONS TO THE ESTABLISHMENT OF THE EASTERN BENGAL RAILWAY
DURING THE LAST THREE YEARS.

154. Baboo Runglal Jajodia: Will Government be pleased to state the additions effected in the Eastern Bengal Railway establishment during the last 3 years in officers' and clerical grades of services and the number of Indians, Anglo-Indians and Europeans appointed?

Mr. G. G. Sim: All available information will be found in Chapter V of the Report by the Railway Board on Indian Railways for 1923-24. The Government have no information in greater detail.

EQUIPMENT OF AN INSTITUTION IN DEHRA DUN FOR COMPLETE TRAINING
IN FORESTRY.

155. Baboo Runglal Jajodia: (a) Will the Government be pleased to inform this House what further action has been taken for the equipment in Dehra Dun of an institution for complete training in Forestry, the proposals for which the Government promised would be sent to the Secretary of State while opposing the motion for reduction in the Forest grants in the last budget session?

(b) Will they lay on the table a full summary of the correspondence, if any, in the matter?

Mr. J. W. Shore: (a) Proposals of the Government of India on the subject were submitted for sanction in February 1924, to the Secretary of State for India who has asked for information which the Government of India will not be in a position to furnish until certain outstanding questions, some of which have arisen from the recommendations of the Lee Commission, have been settled.

(b) I am not prepared to lay on the table the information asked for at this stage.

COMMITTEES APPOINTED SINCE 1921 AND EXPENDITURE ON THE SAME.

156. **Baboo Runglal Jajodia:** Will Government be pleased to state before this House:

- (a) the total number of non-official Committees appointed at the instance of the Central Legislature or the Secretary of State since the inauguration of the Reforms;
- (b) the cost involved in connection with the said Committees;
- (c) the extra expenditure incurred or savings effected in giving effect to the recommendations of those Committees;
- (d) what is the amount of extra expenditure or additional savings that can be effected in giving full effect to the recommendations referred to above?

The Honourable Sir Alexander Muddiman: (a) and (b). For the period up to the 1st March 1924, the information desired by the Honourable Member will be found in the statement laid on the table by my predecessor on the 24th March 1924. I am obtaining similar information for the period from the 1st March 1924, and will lay it on the table when complete.

(c) and (d). The information is not available and Government do not consider that a sufficiently useful purpose would be served to compensate for the labour of collecting it.

SHOOTING OF A VILLAGER OF LOHAGAON BY A BRITISH SOLDIER.

157. **Baboo Runglal Jajodia:** (a) Has the attention of the Government been drawn to a statement which appeared in the *Basumati*, a vernacular daily, in its issue of the 13th December referring to the brutal outrage on a villager by a band of soldiers on the 29th November last in Lohagaon, a village in the Poona District, resulting in the sad death of one Lakshman?

- (b) Will Government be pleased to relate the full facts of the case?
- (c) What exemplary punishment, if any, has been given to the culprits?
- (d) What compensation, if any, has been given to the wife of the said deceased? From what source has the amount been paid?
- (e) If the amount referred to above has been met from Government funds, will Government please state the reasons for the same?

(f) Are the Government prepared to consider the desirability of issuing special orders to all responsible officers recommending prompt and serious steps to prevent the recurrence of such outrages in the future?

Mr. E. Burdon (a) and (b). I have not been able to obtain a copy of the article referred to by the Honourable Member but I assume that the incident is the same as that which formed the subject of Mr. N. C. Kelkar's question No. 378, answered on the 17th September 1924. If this assumption is correct, the following are the facts of the case as recorded in the judgment delivered by the High Court in Bombay on the 30th April 1924:

"On the 29th November 1923, a party of 4 British soldiers left Poona on a shooting expedition. At the village of Lohagaon, there was a dispute over a certain bird which had been shot by one of the soldiers

and which had fallen into a tank. A villager was asked to bring out the bird but he had refused in consequence of which one of the soldiers got annoyed and struck the villager. The other villagers who had collected in the meantime then became threatening and the other three soldiers advised their companion to run away. This he did while the others remained behind to give the villagers their names and addresses. As no one, however, could produce any writing materials, this could not be done and the three remaining soldiers proceeded on their way to Poona. In the meantime, their companion, who had run away, had been caught and hearing of this, the three soldiers made attempts to find out where he was. Apparently the information given them with regard to the whereabouts of their companion was wrong, for after a while they determined to go back to Poona. They were followed by the villagers, and one of the soldiers, who were all rather alarmed at the attitude taken by the villagers, turned round and fired his rifle from the hip. The shot unfortunately struck one of the men who was about 80 feet away and killed him.

(c) The soldier who had fired the shot was charged before a jury with culpable homicide and was acquitted by the unanimous verdict of the jury. The Court, however, disagreeing with the jury, submitted the case to the High Court who, after taking into consideration all the facts of the case, held that the death was due to an accident and accordingly agreed with the verdict of "Not Guilty" of the jury. The accused was therefore acquitted.

(d) and (e). A sum of Rs. 1,500 was sanctioned by the Government of India as an act of grace and by way of compensation from the amount provided in the Army Estimates of 1924-25 under Head III-A (i)—(13).

(f) The Honourable Member is referred to the reply given to part (d) of Mr. N. C. Kelkar's question No. 378 answered on 17th September 1924.

DIFFERENTIAL TREATMENT OF EUROPEAN AND ANGLO-INDIAN, AND INDIAN, APPRENTICES ON THE EASTERN BENGAL RAILWAY.

158. **Baboo Runglal Jajodia:** (a) Will Government please state the number of Indian apprentices taken in for training during the last 3 years in the Loco, Carriage and Electrical departments of the Eastern Bengal Railway and the number of Anglo-Indians and Europeans with their rates of pay?

(b) Will Government explain why any differentiation in matters of pay and railway privileges are observed?

(c) Will Government be pleased to inform this House whether any scheme for wiping out this differentiation is being considered?

Mr. G. G. Sim: (a) A statement showing the number of Indian, Anglo-Indian and European apprentices during 1923 and 1924 in the Loco, Carriage and Wagon and Electrical Departments of the Eastern Bengal Railway with their rates of pay, is laid on the table. The figures for the previous one year are not available.

(b) and (c). The arrangements at this school are that apprentices whether Indian, Anglo-Indian or European, receive free lodging, free tuition and free practical training with wages sufficient to enable them to pay for their living. The differences in the payments are represented by the difference in the cost of subsistence.

Statement showing number of Indian, Anglo-Indian and European apprentices during 1923 and 1924 in the Locomotive, Carriage and Electrical Departments of the Eastern Bengal Railway with their rates of pay.

LOCOMOTIVE DEPARTMENT.				CARRIAGE AND WAGON DEPARTMENT.				ELECTRICAL DEPARTMENT.				RATES OF PAY.	
1923.		1924.		1923.		1924.		1923.		1924.		Europeans and Anglo-Indians.	Indian.
Indians.	26	Anglo-Indians.	14	Europeans.	8	Indians.	24	Indians.	10	Anglo-Indians.	4	Rs. A. P.	Rs. A. P.
		Europeans.	6	Anglo-Indians.	1	Indians.	19	Europeans.	6	Anglo-Indians.	2	85 8 0	40 2 0
		Anglo-Indians.	18	Europeans.	...	Anglo-Indians.	...	Indians.	...	Anglo-Indians.	4	70 8 0	45 2 0
		Indians.	24	Indians.	29	Indians.	19	Europeans.	...	Indians.	8	75 8 0	50 2 0
								Anglo-Indians.	6	Europeans.	2	85 8 0	58 2 0
								Indians.	10	Anglo-Indians.	2	90 8 0	63 2 0
								Europeans.	...	Indians.	2	101 0 0	71 2 0

NATAL BOROUGHS ORDINANCE.

159. **Seth Govind Das:** Will the Government be pleased to state what action if any they have taken or propose to take with reference to the Natal Boroughs Ordinance of 1924?

Mr. J. W. Bhore: The Honourable Member's attention is invited to the address delivered by His Excellency the Viceroy in opening the present session of the Legislature.

BRITISH INDIANS DOMICILED IN BRITISH GUIANA, TRINIDAD, JAMAICA, MAURITIUS, FIJI AND KENYA.

160. **Seth Govind Das:** (a) Will the Government be pleased to state the numbers of British Indians domiciled in the following Colonies:

(1) British Guiana, (2) Trinidad, (3) Jamaica, (4) Mauritius, (5) Fiji and (6) Kenya?

(b) Will the Government be pleased to state the relative number of Indian males and females in the Colonies referred to in part (a), and the disabilities if any imposed upon Indian marriages?

Mr. J. W. Bhore: (a) and first part of (b). The following table gives the Indian population in the Colonies referred to, at the last census:

	Males.	males.	TOTAL.
Mauritius	139,812	127,548	267,360
Trinidad	67,077	54,343	121,420
Jamaica	10,203	8,407	18,610
British Guiana	68,937	55,963	124,900
Fiji	37,015	23,619	60,634
Kenya	Not available	Not available	22,822

Second part of (b). The Government of India are not aware that there are any disabilities imposed upon Indians as regards marriage. In British Guiana, Jamaica, Mauritius and Fiji Indians are required to register their marriages in order to establish the validity of such marriages for legal purposes. As regards Trinidad, the Honourable Member's attention is invited to the reply given by me on the 2nd February 1925 to Mr. Gaya Prasad Singh's question No. 539.

RESERVATION OF THE LOWLANDS OF KENYA FOR INDIANS.

*161. **Seth Govind Das:** Will the Government be pleased to state whether an official Indian or a non-official Indian will be deputed to Kenya to study the question of the reservation of the lowlands for Indians?

COLONISATION SCHEME IN BRITISH GUIANA.

162. **Seth Govind Das:** Will the Government be pleased to state what action if any, they have taken or propose to take with reference to the colonisation scheme in British Guiana?

Mr. J. W. Bhore: The matter is still under consideration.

ABOLITION OF THE POLL-TAX IN FIJI.

163. **Seth Govind Das:** Will the Government be pleased to state what steps they have taken or propose to take to get the poll-tax abolished in Fiji and in other Colonies where the tax exists on Indians?

Mr. J. W. Bhore: So far as the poll-tax in Fiji is concerned, the attention of the Honourable Member is invited to my reply to Mr. Kamini Kumar Chanda's question No. 178 answered on the 23rd January 1925. As regards the poll-tax in Kenya I would refer the Honourable Member to the reply given to question No. 1229, on the 4th June 1924. They are not aware that any poll-tax is levied on Indians in any other Colony.

REMOVAL OF DISABILITIES OF INDIANS DOMICILED IN BRITISH COLUMBIA.

164. **Seth Govind Das:** Will the Government be pleased to state what action the Government of Canada has taken to remove the disabilities of Indians domiciled in British Columbia?

Mr. J. W. Bhore: The Honourable Member's attention is invited to the statement made by the Prime Minister of Canada at the Imperial Conference held in October 1923. The Government of India will make further representations on the subject when a suitable opportunity offers itself.

RESTRICTIONS ON INDIANS WITH REFERENCE TO TRADE LICENCES IN THE UNION OF SOUTH AFRICA.

165. **Seth Govind Das:** Will the Government be pleased to state what are the restrictions imposed on Indians with reference to trade licences in the Union of South Africa?

Mr. J. W. Bhore: The Honourable Member is referred to paragraphs 132-141 of the Report of the Asiatic Inquiry Commission of the Union of South Africa, 1921. The position has not changed so far as the Provinces of Transvaal, Cape of Good Hope, and Orange Free State are concerned. In Natal, however, an Ordinance was passed in 1923 amending the laws relating to the grant of licenses to wholesale and retail dealers in rural districts. A copy of this Ordinance is attached for the information of the Honourable Member.

[Assented to by the Governor-General-in-Council, on the 30th May, 1923.]

[Promulgated 14th June, 1923.]

[No. 4, 1923.]

ORDINANCE.

"To amend the Laws relating to the grant of Licences to Wholesale and Retail Dealers in Rural Districts."

BE IT ENACTED by the Provincial Council of the Province of Natal, as follows:—

1. *Short Title and Commencement.*—This Ordinance may be cited as "The Rural Dealers' Licensing Law Amendment Ordinance, 1923," and shall come into force on the 1st day of November, 1923.

2. *Scope of the Ordinance.*—This Ordinance shall extend to so much of the Province as lies outside the boundaries of Boroughs and Local Townships, and none of its provisions, and no repeal or amendment of any existing law herein contained, shall apply to or affect Boroughs or Local Townships.

3. *Short terms used.*—The expression “The Administrator” as used in this Ordinance means, except where otherwise stated, the Administrator acting under the authority of the Executive Committee. “Licence” means any licence to which Act No. 18, 1897 applies, and includes the transfer or renewal of a licence.

4. *Licensing Boards.*—Rural Licensing Boards for hearing and determining applications for licences shall be constituted in each county throughout the Province, save as is provided in regard to the territory of Zululand and in regard to the combination of counties or the creation of areas. The Northern Districts as defined in Natal Act No. 1 of 1903 shall for the purposes of this Ordinance be constituted as one county.

One such Board may be constituted for a county or combined counties, or Boards may be appointed for different parts of a county.

5. *Re-arrangement of areas.*—(1) The Administrator may divide any county or any other area previously served by one Licensing Board into two or more areas, or combine two or more such areas contained in one county, and may appoint fresh Boards for the newly-defined areas. In either case the existing Boards shall be dissolved as from the date fixed for the establishment of the new areas.

(2) The Administrator may also alter the boundaries of any existing areas, and it shall be in his discretion according to the circumstances to dissolve the existing Boards and appoint new ones or to allocate the existing Boards to the altered areas.

6. *Constitution of Boards.*—(1) Each Licensing Board shall consist of a Chairman and four other members appointed by the Administrator.

(2) No person shall be qualified for appointment as a member of a Licensing Board unless he is a resident owner or renter of a house or land in the county or area and is enrolled as a voter for Parliament.

7. *Duration of Boards: Vacancies and absence from meetings.*—(1) Licensing Boards shall be appointed for successive terms of three years.

(2) When a vacancy occurs through the resignation of a member or otherwise, the Administrator shall appoint a qualified person to fill the vacancy till the end of the current term.

(3) Should a member be unable to attend a meeting or be recused or otherwise disqualified from sitting upon any application, the Administrator may, without obtaining the authority of the Executive Committee, appoint any person to act in his place.

8. *Gazetting appointments and areas.*—All appointments of Rural Licensing Boards, with the names of the Chairman and their members; all appointments made to fill vacancies; the creation of all areas, and a description of the boundaries of all new or altered areas (unless such an area includes an entire county) shall be published in the *Provincial Gazette*, with a notification of the date on which anything so done is to take effect, and such publication shall for all purposes be sufficient proof of the matters notified.

9. *Meetings.*—(1) The Boards shall meet as often as may be required for the despatch of business.

(2) A meeting shall be duly constituted by a quorum of four members, notwithstanding that owing to a vacancy the Board may not at the time be fully constituted.

(3) In the absence of the Chairman a member may be chosen by those present to act as Chairman.

(4) No member shall sit upon any case in which he is directly or indirectly interested, or if an applicant or objector is his tenant or employee or that of his firm or partner, or if the premises in question are upon or within five miles from any premises licensed under Act No. 18, 1897, owned or occupied by him or his firm or partner.

(5) The decision of the majority of the members present shall be the decision of the Board, but in the event of an equal division the decision of the Chairman shall be that of the Board.

10. Sections 4, 5 and 6 of Act No. 18, 1897; Section 2 of Act No. 22, 1909; and Sections 6 and 7 of Ordinance No. 6 of 1916, in so far as they relate to any area or any case to which this Ordinance applies, shall cease to have effect, save so far as may be required for the proper construction of Section 20 of this Ordinance.

11. *Licensing Boards: Discretion.*—(1) Every Rural Licensing Board shall, within the area for which it is appointed, have a discretion to refuse a wholesale or retail licence.

(2) A Rural Licensing Board hearing any application for the grant, transfer or renewal of a licence shall record any evidence given for or against the application, and, where the application is refused, the reasons for the refusal.

(3) Subject to the provisions of Section 12 of this Ordinance, the decision of a Rural Licensing Board, or of the majority of its members, on any application made to it for a new licence or for the transfer of a licence shall be final and shall not be liable to review, reversal or alteration by any Court of law.

12. *Rural Licensing Board of Appeal.*—(1) Any person whose application for a licence (including a transfer) has been refused by a Rural Licensing Board on the ground that the applicant is not a fit and proper person to hold the licence applied for or to carry on the proposed business, and any person whose application for the renewal of a licence has for any reason been refused by a Rural Licensing Board, or any person who has duly lodged an objection to such renewal, shall have a right of appeal from the decision to a Board of Appeal, to be known as the Rural Licensing Board of Appeal, which shall be appointed by the Administrator for the whole Province or for any specific part of the Province.

(2) A Rural Licensing Board of Appeal shall consist of three persons, one of whom shall be designated by the Administrator as Chairman. One member shall be a person who has held office as a judge or magistrate, or who is an advocate of the Supreme Court. The tenure of office by members of the Board, their remuneration, the method of filling vacancies, and the procedure of the Board shall be fixed by rules prescribed by the Administrator.

(3) The Board of Appeal shall have power to order that the licence the subject of appeal be granted, with or without any such suspension as is authorised by Section 17, or that it be not granted; or the Board may remit the application for rehearing or reconsideration. The decision of a majority of the members shall be the decision of the Board, and such decision shall, save as is provided in sub-section (4), be final and shall not be liable to review, reversal or alteration by any Court of Law.

(4) *Appeal to Court of Law against refusal to renew licence.*—It shall be competent for the applicant for the renewal of a licence, or for a person who has duly lodged an objection to such renewal, to appeal to the Provincial Division of the Supreme Court or a local division thereof against any decision of the Licensing Board of Appeal, and the Court may order that the renewal applied for be granted, with or without any such suspension as is authorised by Section 17, or that it be not granted, or may in any case remit the matter to the Rural Licensing Board or to the Rural Licensing Board of Appeal for re-hearing or re-consideration.

13. *References to Licensing Officers and Board.*—The references in Section 7 of Act No. 18, 1897, and in any other law to Licensing Officers and Licensing Boards shall, for the purposes of licences to which this Ordinance applies, be construed as references to the Licensing Boards constituted under this Ordinance.

14. *Costs.*—The proviso of Section 5 (1) of Ordinance No. 6, 1916, is hereby repealed.

15. *Application for Licences.*—All applications for licences shall be addressed to the officer appointed for that purpose by the Administrator.

16. *Objections.*—Any person resident within the area of the Board or within five miles from the premises sought to be licensed, or owning or occupying similarly licensed premises within the same distance, or any officer or member of a Police Force, may lodge objections and oppose any licence, on compliance with the rules in that behalf.

17. *Suspended Licences.*—The Board may in authorising a licence direct it to be suspended for the erection or completion of buildings according to approved plans, with any modifications that may be authorised, or pending the execution of repairs or of any necessary alterations in the existing premises.

18. *Restriction upon renewed applications.*—If an application has been refused by a Rural Licensing Board no further application for a licence for the same premises may be brought till after the expiration of twelve months from the date of the application which has been refused.

19. *Issue of Licences.*—(1) No licence shall be issued unless and until its grant has been authorised by the Board.

(2) Licences shall be signed and issued by the Receivers of Revenue upon a certificate from the proper officer that the licence has been approved.

A suspended licence shall not be issued until the Chairman of the Board, or in his absence, another member on his behalf certifies that the required conditions have been complied with, nor, in the case of an appeal, till the appeal has been determined.

20. *Application by objectors for re-hearing.*—The following words shall be added to Section 2 of Act No. 22, 1909 :—

Any person alleging that sufficient notice of the application has not been given in terms of the rules, shall also, if he would have been entitled to lodge objections, be entitled to apply to the Board for the application to be re-heard on proper notice. The Board may thereupon direct that its previous decision be suspended, and may upon the re-hearing decide upon the application *de novo*.

21. *Subpœnas.*—Subpœnas under Section 4 of Ordinance No. 6, 1916, may be signed by any member of a Licensing Board.

22. *Amended reference to Insolvency Act.*—The reference in Section 7 of Act No. 18, 1897, to the Insolvency Law shall, in its application to areas under the operation of this Ordinance, be altered to Section 139 of the Insolvency Act No. 32, 1916, or any amendment thereof, as regards the keeping of proper books or records in the English or Dutch language.

23. *Taxation of Costs.*—The taxation of costs in terms of Section 5 (3) of Ordinance No. 6, 1916, shall be by such officer as the rules may direct.

24. *Rules.*—The rules under Act No. 18, 1897, may provide for matters of every kind incidental to the administration of this Ordinance.

Such rules may require the deposit of the licence money at the time of application, and its return if the licence is refused.

25. *Special provision in regard to Zululand.*—The territory known as the Province of Zululand shall be excluded from the operation of this Ordinance in so far as it relates to Licensing Boards, references to which in other parts of this Ordinance shall accordingly be construed in relation to the existing Licensing authorities.

The Administrator may, however, by proclamation bring any part of Zululand not included in the Native Reserves under the operation of the clauses of the Ordinance relating to Licensing Boards, and upon the taking effect of such proclamation Licensing Boards shall be substituted for the pre-existing licensing authorities in the district so proclaimed, Sections 4 and 6 of Act No. 31, 1905, being to that extent superseded for the purposes of licences coming under Act No. 18, 1897.

REPATRIATION ON INDIANS FROM BRITISH GUIANA, FIJI, MAURITIUS AND SOUTH AFRICA.

166. **Seth Govind Das:** Will the Government be pleased to state the number of Indians repatriated to India during the last five years from each of the following colonies:

I. British Guiana, II. Fiji, III. Mauritius and IV. South Africa?

Mr. J. W. Bhore: A statement is attached.

Statement showing the number of returned emigrants from certain Colonies during the years 1920—24.

Name of Colonies.	1920.	1921.	1922.	1923.	1924.
British Guiana	1,820	1,070	...	211	417
Fiji	2,512	4,559	987	1,970	...
Mauritius . . . . .	...	336	...	...	...
South Africa	1,073	2,505	2,575	2,030	1,173

APPOINTMENT OF EMIGRATION COMMISSIONERS IN BRITISH GUIANA, FIJI, ETC.

167. **Seth Govind Das:** Will the Government be pleased to state whether they have appointed Commissioners for Indian emigrants in British Guiana, Fiji, Mauritius, Kenya, etc., in the same manner as in Ceylon and the Federated Malay State?

Mr. J. W. Bhore: The reply is in the negative.

NUMBER OF CADETS AT THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.

168. **Seth Govind Das:** Will the Government be pleased to state the number of students from each Province in the Dehra Dun Military School and how many graduates of the school have been sent up to Sandhurst for military training?

Mr. E. Burdon: There are altogether 70 cadets at the Prince of Wales Royal Indian Military College who come from the following Provinces:

Madras, 1;
Bombay, 1;
Bengal, 1;
Punjab, 36;
United Provinces, 9;
Central Provinces, 2;
North-West Frontier Province, 5;
Baluchistan, 2;
Burma, 1;
Indian States, 12.

So far, 9 cadets have been sent up to the Royal Military College, Sandhurst. One other cadet was chosen to proceed to Sandhurst but did not elect to do so.

RECOMMENDATIONS OF THE RETRENCHMENT COMMITTEE REGARDING THE MILITARY SERVICES AND THE FOREIGN AND POLITICAL DEPARTMENT.

169. **Seth Govind Das:** Will the Government be pleased to state to what extent the recommendations of the Inchcape Committee have not been followed in (a) the Military Department, (b) the Foreign and Political Department?

The Honourable Sir Basil Blackett: (a) I lay on the table a statement which explains the action taken on the various recommendations of the Indian Retrenchment Committee in regard to the Military Services. The statement also indicates to what extent the specific recommendations of the Committee have been carried out in modified form in exercise by His Excellency the Commander-in-Chief of the discretion which the Committee agreed that he should exercise.

(b) I would refer the Honourable Member to the pamphlet "Statement showing the recommendations of the Indian Retrenchment Committee which have not been accepted or are still under consideration" which was circulated to Honourable Members last year. The present position, so far as the Foreign and Political Department are concerned, is that the recommendations of the Committee have not been followed in respect of serial Nos. 12, 14 and 20 appearing in Part I and serial Nos. 36, 47, 48 and 49 appearing in Part II of the statement referred to. The recommendations have been partially followed in respect of serial Nos. 40 and 58 appearing in Part II of the statement while serial Nos. 37, 38, 39, 41, 50, 59, 86 and 87 appearing in the same part are still under consideration.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Fighting Services.</i>					
1	Reduction of peace establishment of British Infantry battalions to 884 British other ranks.	4	Saving of Rs. 144 lakhs.	In their Finance Department telegram No. 161-F., dated 31st January and 2nd February 1923, the Government of India recommended to the Secretary of State that the peace establishment of British battalions in India should be reduced to 882 British other ranks. Sanction of the Secretary of State to this proposal has been received and the reductions were effected during the trooping season 1923-24.	Adjutant General.	Closed.
2	Reduction of peace establishment of active Indian Infantry Battalions (other than Gurkha units) to 766 Indian ranks.	5		An alternative scheme which involves a reduction of 5,632 Indian soldier, was submitted to the Secretary of State, vide Army Department despatch No. 21, dated the 26th April 1923. Sanction of the Secretary of State to this proposal has been received and revised peace establishments were issued with A. I. (I.) 656 of 1923.	"	Closed.
3	Reduction of peace establishment of training battalions by 50 Indian ranks.	5	Saving of Rs. (42 less 25 or) 17 lakhs.			
4	Reduction of peace establishment of active pioneer battalions to 722 Indian ranks.	5		The annual saving will amount to Rs. 94 lakhs.		
4-A	Increase in reservists	5				
5	Alteration of terms of service of Indian soldiers so as to include colour and reserve services.	5		This question was taken up with a view to the introduction of new conditions of service for Indian soldiers of Indian Infantry and Pioneer battalions (excluding Gurkhas and 14th Hazare Pioneers). Secretary of State's sanction has been received and orders promulgating the new terms of service have been issued.	"	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Fighting Services—contd.</i>					
6	Reduction of 3 British cavalry regiments.	6	Saving of Rs. 74 lakhs.	Sanction of the Secretary of State has been received for the withdrawal of 2 regiments, the annual saving in expenditure being about Rs. 50 lakhs. In regard to the third regiment, an arrangement has been arrived at under which His Majesty's Government has agreed to contribute a sum of Rs. 75,000 per annum for the two years 1923-24 and 1924-25. The question of financial arrangements for the future is under consideration, and the Secretary of State is being addressed with a view to the withdrawal of the regiment, or to obtain a contribution of the whole cost. A field troop of Sappers and Miners has also been reduced.	Adjutant General.	
7	Reduction of 10 per cent. in artillery.	7	Saving of Rs. 43 lakhs.	Proposals involving a reduction of 23 British officers, 893 British other ranks, 835 Indian other ranks, 555 followers and 1,579 horses in Royal Horse and Field Artillery units were made to the Secretary of State in Army Department Telegram No. 245, dated 17th March 1923. Sanction of the Secretary of State to these proposals has been received and orders giving effect to the reductions were issued in A. G.'s letter No. A. 19691-1 in A. G.'s letter No. A. 19691-2 (A. G.-4), dated 21st July 1923. The annual saving in expenditure will amount to about Rs. 43 lakhs.	"	Closed.
	<i>Army Headquarters, Staffs of Commands, etc.</i>					
8	Reduction of officers employed at Army Headquarters to full extent recommended by Innes Committee, Rs. 4 lakhs being effected in 1923-24.	12	Saving of Rs. 4 lakhs.	His Excellency the Commander-in-Chief decided to take these two recommendations together. Reductions of officers and clerical establishment, giving a saving of Rs. 6 lakhs a year, have been made, and necessary orders of Govt. have been issued. With reference to the recommendations of the Innes Committee, the Government of India have also decided that 4 additional appointments at Army Headquarters should be reduced in 1924-25 and 5 others in 1925-26.	General Staff.	Closed.
9	Reduction of clerical establishment of Army Headquarters by Rs. 2 lakhs.	12	Saving of Rs. 2 lakhs.			
10	The necessity for retention of 4 Commands to be again reviewed after 12 months (i.e., February 1924), and in meantime no expenditure to be incurred on new offices for the Commands.	13	Nil.	The matter has been reviewed and it has been decided to retain 4 Commands.	"	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Army Headquarters, Staffs of Commands, etc.—contd.</i>					
11	The provision for Command, District and Brigade staffs to be reduced by Rs. 4 lakhs for 1923-24 in addition to savings under transport and forage charges.	16	Saving of Rs. 4 lakhs.	His Excellency the Commander-in-Chief decided to deal with these two items together. (a) Reductions have been made under Command, District and Brigade Staffs which will give an annual saving of 3'05 lakhs. (b) The provision for Embarkation and Railway Transport establishment in the Budget for 1923-24 was fixed at Rs. 2'21 lakhs which was less than the Budget provision for 1922-23 by 4'21 lakhs. (c) Further reduction has been made of one-third-grade staff officer in the Embarkation establishment at Bombay 0'19 Total . 7'38	"	Closed.
12	All work in connection with movement of troops to be decentralised to Commands and districts and total provision for embarkation and railway transport staff be limited to Rs. 3,00,000.	17	Saving of Rs. 3'443 lakhs.	It has been decided that decentralisation to the extent proposed by the Inchoape Committee is not feasible, but the question of the extent to which decentralisation is practicable and desirable is being taken up as an independent measure by the Army Department. (G. S. Case No. 14624.) [Q. M. G.'s Case No. 37785 (Q-2-B).]	Quarter-master General in collaboration with General Staff.	Closed.
	<i>Transport Charges.</i>					
13	Tenders should be obtained for the construction of the Hindu Nagar Fort Sandeman Railway, and if the cost approximate to Rs. 35 lakhs, work should be put in hand forthwith.	19	Nil.	It has been decided that a survey should be made by the Railway Department.	Quarter-master General.	
14	All the 1,703 obsolete M. T. vehicles should be sold or scrapped forthwith except vehicles of standard types which should be dismantled and their parts placed in stock as spares.	20	Nil.	1,057 vehicles have been sold. Arrangements have been made for the sale of the remainder.	Quarter-master General in collaboration with General Staff, where fighting units are concerned.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	Remarks.
	<i>Transport Charges—contd.</i>					
15	While present financial conditions obtain, the authorised establishment of motor vehicles including reserves should not exceed 1,600 vehicles exclusive of motor cycles	20	Nil.	The matter has been examined carefully, and it has been decided by Government to maintain in place an authorised establishment of about 1,900 motor vehicles including reserves but exclusive of motor cycles. The increase over the Inchcape Committee's figure is due mostly to two measures which will tend to reduce recurring expenditure, viz., (1) the adoption to a larger extent of the light (1½ ton) lorry in place of the heavy (2½ ton) lorry, an arrangement which will result not only in a saving in maintenance charges of the vehicles, but also in the cost of maintenance of the roads used by them, and (2) the adoption of the system of separate ambulances for peace hospitals recommended by the Braithwaite Committee.	Quarter-master General.	Closed.
16	Establishment of motor car- in use to be limited to 150 and their mileage to be restricted to 9,000 miles per annum.	21	Saving of Rs. lakh.	The reduction in the establishment of motor cars in use has been made. Government orders regarding the restriction of mileage of motor cars have issued, vide Army Instruction (India) No. 341 of 1923. The budget provision for 1923-24 was in accordance with the recommendation. [Q. M. G.'s Case No. 50161 (Q. M. G.-8).]	"	Closed..
17	The possibility of increasing the mileage of Ford cars per gallon of petrol to be explored (present mileage being 14 miles per gallon).	22	...	Necessary action has been taken.	"	Closed..
18	All lorries and miscellaneous vehicles to be limited to 1,000 miles running per annum, petrol and other supplies being rationed to ensure the mileage limitation being enforced.	23	Saving of Rs. lakhs.	Government orders regarding the limitation of mileage and rationing of petrol and lubricants have been issued, vide Army Instruction (India) No. 341 of 1923. Government orders regarding the maintenance of running accounts of petrol and lubricants have been issued, vide Army Instruction (India) No. 468 of 1923. The annual saving in expenditure will amount to Rs. 48 lakhs. No further action is necessary.	"	Closed..

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Transport Charges—contd.</i>					
9	Number of ambulances in use to be limited to 200.	22	...	The establishment of motor ambulances in use has been reduced to 120. No further action is necessary.	Quarter-master General.	Closed.
20	Total establishment of motor cycles to be fixed at not more than 350, and all obsolete cycles to be sold or scrapped forthwith.	22	Saving included under Serial No. 18.	Orders have been issued giving effect to this recommendation. 144 motor cycles have been sold up to date. [Q. V. G.'s Case No. 56161 (Q. M. G.-8).]	"	Closed.
21	The adoption of the recommendations re personnel of the Britishwarre Committee, with the exception of that relating to the increase of the establishment of the Mechanical Transport Training School.	23	Saving of Rs. 20 lakhs.	Necessary action has been taken to reduce the total establishment of Mechanical Transport personnel so as to secure a saving of Rs. 21 lakhs. This includes Rs. 1 lakh recommended by the Committee against Serial No. 25. The budget provision for 1923-24 was in accordance with the recommendation.	"	Closed.
22	Total annual expenditure on Animal and Mechanical Transport should be reduced by Rs. 55 lakhs, viz:— Reductions of personnel in Mechanical Transport units and formations (paragraph 23) . 20 Reductions of drivers of motor cars due to reduction of numbers of cars in use (paragraph 21) . 1 Reduction in running expenses of motor lorries and other vehicles (paragraph 22) . 48 69 Deduct—Annual replacements 14 Net saving 55 There will be an additional saving under the stock account of Rs. 15 lakhs (vide Serial No. 60).	23	Gross saving on Mechanical Transport services Rs. 69 lakhs. Extra expenditure Rs. 14 lakhs. Net reduction of Budget under this Head Rs. 55 lakhs.	See remarks against Serial Nos 16, 18, 21 and 60. This item is merely a summary of the reductions under the head Mechanical Transport.	Quarter-master General.	Closed.
23	Owing to an over-estimate in 1923-24 of account of Ser. Transport charges, there will be a saving of Rs. 46.06 lakhs in 1923-24.	24	Saving of Rs. 46.06 lakhs.	This is an automatic saving which was allowed for in the Budget for 1923-24. No action is necessary.	...	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Transport Charges—conold.</i>					
24	Provision for Railway charges under all heads for 1923-24 to be reduced to Rs. 1,85,00,000.	25	Saving of Rs. 14.75 lakhs.	The budget provision for 1923-24 was reduced to Rs. 1,75,00,000. No further action is necessary.	...	Closed.
	<i>Educational and Instructional Establishments.</i>					
25	(a) Provision for educational and instructional establishments for 1923-24 to be reduced by Rs. 7,42,450.	26	Saving of Rs. 7.42 lakhs.	<p>The Budget for 1922-23 provided for Rs. 33.62 lakhs for expenditure on Educational and Instructional institutions administered by the General Staff Branch, inclusive of Rs. 1.53 lakhs on account of the Army Signal Schools for which provision was made under Head I of the Budget under Indian Signal Corps. Of the Incheape "cut" of Rs. 7.42 lakhs, Rs. 5.42 lakhs pertains to these institutions. The reduced scale of expenditure recommended by the Incheape Committee thus amounts to Rs. 28.20 lakhs. The budget for 1923-24 provided for an expenditure of Rs. 27.97 lakhs exclusive of (1) Rs. .98 lakh for replacement of mechanical transport vehicles, for which an aggregate special grant has been allowed by the Incheape Committee, see paragraph 23 (page 16) of their Report and (2) Rs. .84 lakh on account of "Lag." The proposals for re-organisation received by the General Staff Branch, which include certain new demands, come up to Rs. 27.93 lakhs, which is within the amount allowed. Orders giving effect to them have been issued.</p> <p>One lakh of the total saving recommended was to be found by the Quartermaster General's Branch. This has been secured from reductions made in the total establishment of Mechanical Transport personnel, see Serial No. 21.</p> <p>The remaining one lakh was to be found by the Director General, Indian Medical Service. Necessary steps have been taken to secure the saving (G. S. Case No. 14912-M. T.-1.)</p>	General Staff. Quartermaster General. Director General, Indian Medical Service.	Closed.
	(b) Grant for practice ammunition will have to be increased by Rs. 23 lakhs.		Excess of Rs. 23 lakhs.	No further action is necessary as regards this item.	...	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
26	<p><i>Army Education.</i></p> <p>The provision for Army Education to be reduced to Rs. 33,00,000 for 1923-24 and to be fixed at this figure for the next 5 years, exclusive of any additional expenditure on the Dehra Dun and K. G. Military Schools. A proportionate further reduction should be made if proposals regarding reduction of fighting troops are accepted.</p>	27	Saving of Rs. 4,16,650	<p>As regards the first part, in paragraph 72, page 36 of their Report, the Innes Committee passed, without any reduction a sum of Rs. 11,13,000 included in the Budget for 1922-23 under Head VI-C (old Head VIII-C) for recurring expenditure on new measures. This sum included Rs. 66,860 for measures, the cost of which was debitable to "II-B-Army Education," and this sum must accordingly be added to the figure of Rs. 33 lakhs mentioned in paragraph 27, page 20, of the Innes Committee's Report, raising the latter to Rs. 33,66,860. His Excellency the Commander-in-Chief decided that a saving of Rs. 22,200 obtained under "Head I-B—Army Education," by the abolition of the appointment of Chief Inspector, Educational Training, at Army Headquarters should be taken towards the Innes "out" of Rs. 6 lakhs for Army Headquarters, as the appointment is one which was included by the Innes Committee in the reduction at Army Headquarters mentioned by them. The figure of Rs. 33,66,860 arrived at as above is accordingly reduced to Rs. 32,44,660. Out of this sum, Rs. 98,310 should be taken as the basic provision for net expenditure on the Dehra Dun and King George's Military Schools, this being the net amount provided for these schools in the Budget for 1922-23; and the balance available for other expenditure chargeable to "II-B-Army Education" thus amounts to Rs. 32,44,370. Against this permissible limit, the budget for 1923-24 provided for an expenditure of Rs. 32,44,860, exclusive of Rs. 94,600 net for the Dehra Dun School and Rs. 34,210 for "lag." A scheme of reorganisation has been introduced the cost of which is within the permissible limit.</p> <p>As regards the second part of the recommendation, a further retrenchment of 74,000 has been made in the expenditure chargeable to Army Education consequent on reduction in strength of British troops.</p> <p>[G. S. Case No. 12654 (G. S., M. T. 3).]</p>	General Staff.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	Remarks
	<i>Medical Services and Hospitals.</i>					
27	An enquiry to be made with a view to closing down hospitals where their retention is not justified and to substantially reducing the number of beds in the hospitals retained.	28	...	Administrative orders have issued sanctioning a reduction of 1,884 beds in British Station Hospitals and 2,100 beds in Indian Station Hospitals. The question of further reductions will be taken up shortly. (Case No. 27227-D. M. S.-4—Accommodation.)	Adjutant General.	Closed.
28	A reduction of Rs. 5 lakhs to be made in the cost of the present establishments employed in hospitals in addition to the savings which should automatically result from reductions in Army personnel.	28	Rs. 5 lakhs	Proposals involving a reduction of 16 officers, Indian Medical Service, 60 Assistant Surgeons plus 32 who are in excess of the authorised establishment, and 90 Sub-Assistant Surgeons (less a shortage of 31 below establishment), are under consideration. So far as officers are concerned, their reduction has actually been effected; the reduction of Assistant Surgeons has been sanctioned by the Secretary of State, and necessary action has been taken, but as regards Sub-Assistant Surgeons the proposed reductions have just been sanctioned by the Secretary of State and orders are about to issue. As regards the second part of the recommendation, it has been decided that further reductions in personnel should be effected, but, except as regards officers, details are still under consideration. As regards officers it has been decided that 28 Royal Army Medical Corps officers and 45 Indian Medical Service officers should be reduced by the end of 1924-25, and further reductions of 20 and 30 respectively effected by the end of 1925-26, involving an eventual saving of about Rs. 11½ lakhs per annum.	Adjutant General.	
29	A reduction of Rs. 31 lakhs to be made under the head of "provisions and diets."	28	Rs. 31 lakhs.	The reductions are automatic and were allowed for in the Budget for 1923-24. No further action is necessary.	...	Closed.
30	A reduction of Rs. 16 lakhs to be made under the head of "clothing for patients."	28	Rs. 16 lakhs.	The reductions are automatic and were allowed for in the Budget for 1923-24. No further action is necessary.	...	Closed.
31	A reduction of Rs. 1 lakh to be made under the head of "cost of drugs."	28	Rs. 1 lakh.	The reductions are automatic and were allowed for in the Budget for 1923-24. No further action is necessary.	...	Closed.
	Total reduction under head of "Working expenses of hospitals."	...	Rs. 53 lakhs.	This is merely the total of the foregoing items under the heading of "Medical Services and Hospitals."	...	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th Jul, 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Working expenses of Depôts, etc.</i>					
32	The provision for Arsenals and Ordnance depôts for 1923-24 to be limited to the amount provided for 1922-23, and possibility of effecting economy by temporarily utilising military labour for clearing up arrears of work to be explored.	30	Nil	<p>With the exception of charges for railway freight and losses on sale of surplus stores, which have gone up since last year, the provision for Arsenals in the Budget for 1923-24 was limited to the same figure as for 1922-23.</p> <p>The aggregate provision under all heads on account of rail charges for the Army has been restricted in accordance with the recommendation shown against Serial No. 24; but the share of the aggregate provision specifically made available for arsenals and ordnance depôts was greater in 1923-24 than in 1922-23, the budget grant for the latter year having proved too low. The provision included in the estimates for 1923-24 on account of loss on sale of surplus stores represented a loss inseparable from heavy sales of surplus stores that were necessary in order to give effect to the recommendation shown against Serial No. 59(b).</p> <p>No further action is necessary as regards this portion of the recommendation.</p> <p>The question of temporarily utilising military labour for clearing up arrears of work has been explored. It is stated that all work of a nature that troops could carry out has been concluded.</p>	Quartermaster General.	Closed.
33	Steps to be taken to close down at an early date 2 out of the 4 clothing and boot depôts.	31	Nil.	The Committee appears to have been under a misapprehension when they made this recommendation. There were 5 boot and clothing depôts of which it was intended to close 2. One of these has been closed, and the closing of the other depends on the building of increased storage accommodation elsewhere. The administrative authorities hold that it is impossible to carry on with less than 3 depôts, viz., Quetta and Rawalpindi for clothing and the Central Boot Depot alongside the manufacturers.	" "	Closed.
34	Withdrawal from unit charge of mobilization reserves of winter clothing and their concentration in depôts.	31	.....	This is being done gradually. A good deal of the clothing returned to date on being examined in the clothing depôts has been found to be unserviceable and will be sold by public auction.	" "	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Working expenses of Depots, etc.—contd.</i>					
35	Budget provision for 1923-24 for Clothing and Boot Depôts to be reduced to Rs. 4,50,000.	31	Saving Rs. 24,080	The budget provision for the Clothing and Boot Depôts for 1923-24 was Rs. 23,22,740. The excess over Rs. 4,50,000 recommended by the Indicape Committee was made up as follows:— (1) Personnel including temporary labour and connected charges . . . 28, (2) Rail charges . . . 1,18,900 (3) Loss on sale of surplus stores 17,25,000 Total . . . 18,72,740 As regards the increase at item (1), orders were issued with a view to effecting the necessary reduction of these charges. The remarks given above against Serial No. 32 in regard to rail charges and losses apply to items (2) and (3) regarding which no action is required.	Quarter-master General.	Closed.
36	A saving of Rs. 41 lakhs to be effected in the cost of the supply services in 1923-24, the whole position to be again reviewed in 12 months time with a view to a further reduction being effected.	32 and 33	Savings Rs. 41 lakhs.	Action has been taken to secure the saving.	„ „	Closed.
37	Cost of Medical Store Depôts to be reduced to Rs. 5 lakhs in 1923-24 Budget.	34	Saving Rs. 91,000	Action has been taken to effect a saving of Rs. 91,410 per annum, and the case closed.	Director General, Indian Medical Service.	Closed.
38	Reduction in Veterinary services recommended by the Braithwaite Committee to be put into effect for 1923-24 Budget.	35	Saving Rs. 3,92 lakhs.	The necessary reorganisation has been carried out and budget provision has been reduced accordingly. The officers who have become surplus have been reverted to the Home establishment and the Veterinary Assistants and subordinate personnel surplus to the reduced establishment have been discharged; vide Army Instruction (India) Nos. 87, 96 and 100 of 1923. No further action is necessary. [Q. M. G.'s case No. 37851 (Q. M. G.-14) for Officers No. 37902 (Q. M. G.-14) for Veterinary Assistants; No. 37835 (Q. M. G.-14) for Clerks and No. 37961 (Q. M. G.-14) for Indian other ranks and followers.]	Quartermaster General.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
39	<i>Working expenses of Depôts, etc.—concl'd.</i> A reduction of Rs. 20 lakhs to be made in the Budget for Remount Depôts and breeding operations.	36	Saving Rs. 20 lakhs.	Measures of economy estimated to give a saving of Rs. 20½ lakhs have been agreed to and Government orders issued. Measures effecting further economies which will give an annual saving of Rs. 1·58 lakhs have also been agreed to and the case closed. It has been proposed that further enquiry be made into the breeding operations carried on by the Army Remount Department.	Quarter-master General.	Closed.
40	Accounts on a commercial basis to be instituted for all manufacturing establishments (vide Appendix E of Report) with debit for interest on capital and depreciation.	39	Nil	The remount budget for 1923-24 allowed for a retrenchment of Rs. 18·64 lakhs on the budget grant for 1922-23. Accounts on a commercial basis have already been introduced for most of the principal manufacturing establishments on the Army side, e.g., Ordnance Factories, Medical Store Depôts, Remounts, etc.). The question of developing the arrangements, so as to include in the accounts debits for interest on capital and depreciation, and of extending them to all manufacturing establishment is under consideration; but it will take some time to settle.	Quarter-master General and Master General of Supply in consultation with Financial Adviser.	
41	The proportion of British personnel in Army clothing factories and depôts to be reduced to 12 per cent. of the total staff.	42	...	Under an Army Instruction (India) fixing the establishment for the I. A. O. C. for 1923-24, the proportion of British personnel to the total personnel authorised for Clothing Factories and Depôts is 66 to 573, i.e., less than the 12 per cent. recommended by the Incharge Committee. No further action is necessary.	Quarter-master General, Master General of Supply.	Closed.
42	In view of the large reductions recommended in the use of the M. T., only a small repairing shop should be retained at Chakiala, and the possibility of utilising the balance of the available accommodation to be explored.	44	Nil	Considerable reductions have been effected in the establishments of Mechanical Transport Repair shops, including that at Chakiala, and orders issued in Army Instruction (India) No. 313 of 1924. It has not been found possible to reduce the Repair shop at Chakiala to the extent recommended by the Committee.	Quarter-master General.	Closed.
43	Endeavours to be made to come to a favourable arrangement with the commercial concerns supplying the standard types of vehicles adopted by the Army to undertake complete overhauls in India of their own vehicles.	44	Nil	Orders were issued in Army Instruction (India) No. 1037 of 1924 to the effect that in places where a motor engineering firm of repute exists military vehicles should be repaired locally provided it is economical to do so.	" "	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Ecclesiastical Establishments.</i>					
44	Consequent on the reduction in numbers of British troops in India of the R.C. persuasion, the numbers of R. C. Chaplains to be reduced to the essential minimum and all other R. C. clergymen ministering to troops to be placed on a capitulation basis.	46	Rs. 15 lakhs.	A despatch to the Secretary of State replying to certain observations made with regard to the proposals is under issue and the views of certain Roman Catholic Archbishops with regard to the proposals are being obtained. (Army Department Case 121—Ecclesiastical.)	Army Department.	
45	An early decision to be come to on the proposal to form an Army Chaplains Department for Church of England Chaplains; and, if proceeded with, no additional expenditure to be involved.	46	Nil	Action on the formation of an Army Chaplains Department is temporarily in abeyance. (Army Department Case 120—Ecclesiastical.)	" "	Closed.
	<i>Administration of Cantonments.</i>					
46	A reduction of Rs. 50,000 due to fall in prices, to be made in grant for Administration of Cantonments.	47	Saving Rs. 5 lakhs.	The necessary reduction was made in the Budget Estimates for 1923-24. No further action is necessary.	Quartermaster General.	Closed.
	<i>Recruiting Staff.</i>					
47	A reduction of Rs. 20,000 to be made under the head of Recruiting staff.	48	Saving Rs. 2 lacs.	Orders for the abolition of the following, which will give the saving required, were issued in Army Instruction (India) No. 217, dated the 3rd April 1923 :— Recruiting Officer, Burma. Assistant Recruiting Officer, Burma. 42 1st class permanent recruiters. 43 2nd class permanent recruiters. The total saving involved by the above reduction was estimated at Rs. 41,840 during 1923-24 after allowing for the pay of surplus personnel pending discharge. No further action is necessary. [A. G.'s Case No. A-18889 (A.G.-6), Recruiting, Indian Army.]	Adjutant General.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
48	<i>Expenditure in England on the Standing Army.</i> An early settlement to be arrived at on the basis of the future capitulation rate for British soldiers serving in India. Meantime the provisional rate having been reduced to £95 there will be an automatic saving of £44,000	10	Saving Rs. 6.6 lakhs.		Financial Advice.	Closed.
49	Budget provision in 1922-23 for furlough allowances for officers of the Indian service was too high by £346,000. This will automatically produce a saving in 1923-24.	51	Saving Rs. 51.9 lakhs.		"	Closed.
50	The payment to War Office of £93,000 in 1922-23 on account of clothing and equipment brought to India by British troops should disappear in 1923-24 consequent on the reductions proposed in British Troops.	52	Saving Rs. 13.95 lakhs.	No further action is necessary as the savings under these recommendations are automatic, and were allowed for in the Budget for 1923-24.	"	Closed.
51	The non-recurrence of the item of exchange concession in respect of Mesopotamia will produce an automatic saving of £250,000.	53	Saving Rs. 37.5 lakhs.		"	Closed.
52	<i>Stock Account.</i> The non-recurrence in the stock account of arrear payments of £410,000 and £80,000 on account of ordnance and mechanical transport equipment indentured for in previous years will produce an automatic saving of Rs. 73.5 lakhs.	57	Saving Rs. 73.5 lakhs.		"	Closed.
53	<i>Provisions.</i> Stocks to be eaten to up to the extent of Rs. 36 lakhs. Credit to be taken for Rs. 36 lakhs on account of fall in prices as compared with 1922-23. Debit of Rs. 10 lakhs to be taken on account of anticipated losses and write-off.	59	Saving Rs. 35.5 lakhs Initial Rs. 25 lakhs recurring.	Credits were taken in the Budget for 1923-24 for 36 lakhs on account of fall in prices and for Rs. 36 lakhs on account of reduction of stocks by consumption. A debit of Rs. 10 lakhs has also been included in the Budget for 1923-24 on account of anticipated normal losses and write-off. As regards the savings of 36 lakhs on account of reduction of stocks by consumption, and similar savings under Serial Nos. 55 and 56, orders have been issued reducing working stocks and mobilisation reserves which will give all the savings required.	Quartermaster-General.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Provisions—concl'd.</i>					
54	Messing allowance of the British soldier to be reduced to 3½ annas per diem. (N.B.—This is not a St ck Account heading.) <i>Feed of animals.</i>	60	Saving Rs. 37 lakhs.	Government orders have issued reducing the messing allowance to 3½ anna per diem from the 1st July 1923, vide Army Instruction (India) No. 469 of 1923. No further action is necessary. [A. G.'s Case No. A.-18580 (A. G.-10)—P and A. General.]	Adjutant General.	Clo ed.
55	Stocks to be eaten down to the extent of Rs. 10 lakhs. Credit to be taken for Rs. 50 lakhs on account of fall in prices and reduction of ration scales. Debit of Rs. 5 lakhs to be taken on account of anticipated losses and write-off.	61	Saving Rs. 10 lakhs initial, Rs. 45 lakhs recurring.	Credit was taken in the Budget for 1923-24 for Rs. 50 lakhs on account of fall in prices and reduction of ration scales. Instead of Rs. 10 lakhs as recommended, credit was only taken for Rs. 5 lakhs for reduction in stocks; the deficiency of Rs. 5 lakhs being made good by (1) an additional credit of Rs. 4 lakhs under Petrol and Lubricants (Serial No 56) and (2) Rs. 1 lakh under Fuel and Light (not referred to by the Committee). A debit for Rs. 2 lakhs only has been taken in the budget on account of anticipated losses; the balance of Rs. 3 lakhs being taken under Fuel and Light Rs. 2½ lakhs, and Miscellaneous Rs. ½ lakh. As regards action taken for securing credit of 5 lakhs from reduction of stocks, please see remarks against Serial No. 53, as far as they refer to reduction of stocks.	Quarter-master-General.	Closed.
	<i>Petrol, oil and lubricants.</i>					
56	Stocks of petrol and lubricants to be reduced by Rs. 5 lakhs.	63	Saving Rs. 5 lakhs initial.	Credit was taken in the Budget for 1923-24 for Rs. 5 lakhs on account of reduction in stocks. Please see remarks against Serial No. 53 so far as they relate to action taken for securing reduction in stocks.	"	Closed.
	<i>Medicines and surgical instruments.</i>					
57	The stocks of medicines and surgical instruments are to be reduced to the level authorised by the orders issued on this subject in September 1921, and the estimated figures of Rs. 35½ lakhs for new purchases in 1923-24 to be curtailed by Rs. 10 lakhs. A complete review to be made of all articles held, and, apart from the mobilization reserve of Rs. 4 lakhs, any stocks in excess of 18 months' supply of articles not in common use or liable to deterioration to be sold.	64	Saving Rs. 10 lakhs.	The survey of stocks has been completed by the Director General, Indian Medical Service, and the sale of surplus perishable and obsolete stores is proceeding. Orders have been issued for the disposal of surplus Field Medical and Veterinary equipment. A reduction of only Rs. 7 lakhs was allowed for in the budget for 1923-24, but it is probable that the full reduction of Rs. 10 lakhs has been effected.	Director General, Indian Medical Service.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	Remarks.
	<i>Clothing.</i>					
58	Possibility of authorised periods of wear of clothing being increased by 25 per cent. and other economies in clothing and kit allowances to be further reviewed.	65	Saving Rs. 23 lakhs.	The question of increasing the periods of wear of articles of personal clothing and necessities has been examined, and revised periods of wear have been proposed in respect of the more important articles representing extensions varying from 25 to 100 per cent. Necessary orders giving effect to the changes have been issued, vide Army Instruction (India) 464 of 1923. The total annual recurring saving in clothing allowances based on these proposals as compared with the budget estimates of these allowances for 1923-24, amounts to approximately Rs. 28 lakhs, i.e., 3 lakhs in excess of the Income Committee's recommendations. Of the total saving, 16 lakhs was budgeted for in the estimates for 1923-24 as a deduction from expenditure under Head I.	Quartermaster-General.	Closed.
58-A	Reduction of 30 lakhs to be effected in existing stocks of clothing.	65	Saving Rs. 30 lakhs initial.	The Budget estimates for 1923-24 were prepared on the assumption that clothing stocks to the value of above Rs. 65 lakhs would be consumed without replacement, or disposed of, during the year. Action was taken to secure this credit. The increase in the credit as compared with the Income Committee's figure of Rs. 30 lakhs went to counterbalance the shortage in the credit under Ordnance stores [See Serial No. 59 (b)].		Closed.
	<i>Ordnance.</i>					
59	(a) A reduction of 50 per cent. in the war reserve could be effected. (b) The total stock of stores should be reduced to Rs. 8 crores. Expenditure on purchases in 1923-24 to be restricted to Rs. 130 lakhs after allowing for Rs. 10 lakhs fall in prices, a reduction of Rs. 1,00,43,000. Any balance required for consumption to be obtained by reduction of stocks or from the proceeds of sales of surplus stores.	66	Saving Rs. 100.43 lakhs initial.	This question is still under consideration and a special investigation into the reserves of Ordnance Stores will probably be made during the current financial year. Credit was taken in the budget for 1923-24 for a reduction of Rs. 130 lakhs in the stocks of clothing and Ordnance stores and steps taken to secure the reduction. It is anticipated that the actual reduction will be larger. The residual surplus of Ordnance stores is not consumable and there is no market for it.	Quartermaster-General.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government	Remarks.
	<i>Mechanical Transport.</i>					
60	The provision for additions by purchase to be reduced by Rs. 21 lakhs, viz.— Rs. lakhs. By consumption of existing stocks of tyres and spare parts. 15 Omission of Budget provision for purchase of new vehicles as shown in 1922-23 Budget. (But see paragraph 23 of Report.) 6 Total . 21	67	Saving Rs. 21 lakhs.	The omission of 6 lakhs for purchase of new vehicles was given effect to in the Budget for 1923-24. No further action on this portion of the recommendation is necessary. As regards the recommendation about a credit of 15 lakhs by consumption of existing stocks, a credit of Rs. 5 lakhs only was entered in the Budget for 1923-24. Steps have been taken to sell all stocks which are not required for consumption, but it has been difficult to obtain a ready market for them and the sales are progressing slowly.	Quarter-master-General.	Closed.
	<i>Animals.</i>					
61	No purchase of camels being necessary in 1923-24, there will be a saving of Rs. 3.33 lakhs. If reduction in strength of fighting troops is accepted, it should be possible to reduce purchase of animals by Rs. 10 lakhs by making equivalent reduction in number of animals in remount depôts.	68	Saving Rs. 10 lakhs.	A reduction of Rs. 5 lakhs for purchase of animals was given effect to in the Budget for 1923-24. A further saving of over Rs. 15 lakhs was realised in 1923-24.	"	Closed.
62	Net saving under recommendations contained in paragraphs 58 to 67 inclusive, when compared to the 1922-23 estimate is only Rs. 188.43 lakhs, since 1922-23 estimate assumed savings at Rs. 16.99 lakhs due to reductions of stocks.	69	Net saving in stock account Rs. 188.43 lakhs.	This item merely summarises the savings recommended under the heading "Stock Account".	.....
63	<i>Special Services.</i> The provision for Waziristan occupation for 1923-24 being limited to Rs. 19.5 lakhs will produce an automatic reduction of Rs. 153.5 lakhs under this head.	70	Saving Rs. 153.5 lakhs.	It was not found possible in 1923-24 to give effect to the recommendation of the Committee. The whole of the savings proposed by the Committee have, however, been taken credit for in the budget for 1924-25.	Financial Adviser.	Closed.
64	Recommended that the garrison of Aden be reduced to its pre-war strength representing a saving of Rs. 10 lakhs on the 1922-23 Budget.	70	Saving Rs. 10 lakhs.	Proposals for reduction to approximately the strength of the pre-war garrison are still under consideration, and a final decision has not yet been arrived at. [(G. S. Case No. 3642-S. D.-1) Post War Garrison at Aden.] The saving under this head is automatic and was allowed for in the Budget for 1923-24.	Army Department.	
65	War arrears adjustments in connection with the Great War and the Afghan War having been completed, the sum of Rs. 3.4 lakhs allowed under these heads in the 1922-23 Budget will not recur.	70	Saving Rs. 3.4 lakhs.	No action is necessary.	Financial Adviser.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1923-25, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	<i>Miscellaneous receipts and charges.</i>					
66	(a) Where stores are issued by the Army to other departments, a debit should be raised against the department concerned. (b) The grant for net miscellaneous expenditure to be reduced to Rs. 20 lakhs.	71	Increase Rs. 88.57 lakhs.	(a) Orders giving effect to this recommendation were issued in Finance Department letter No. 425-A., dated the 28th May 1923, to the Auditor General. No further action is necessary as regards this item. (b) The recommendation was given effect to in the Budget for 1923-24. No further action is necessary as regards this item.	Army Department.	Closed.
	<i>Provision for new measures and unallotted reserve.</i>					
67	No provision for unallotted reserve to be made in future budgets. Rs. 30 lakhs is being allotted for the completion of equipment in 1923-24. As approximately half of the "new measures" for 1922-23 are recurring charges and will be shown under appropriate heads, the net saving for "new measures" amounts to Rs. 3 lakhs.	72	Saving Rs. 3 lakhs.	The saving is automatic and was allowed for in the Budget for 1923-24. No action is necessary.	Financial Adviser.	Closed.
	<i>Non-effective charges.</i>					
68	Recommended that the pre-war arrangement be reverted to under which a settlement of pension was arrived at for each individual on retirement on the basis of his expectation of life.	73	Nil.	The India Office were asked in Financial Adviser, Military Finance, letter No. 157-P., dated the 26th April 1923, to take the necessary action in this respect. Information has been received from the India Office to the effect that steps in this direction have been taken in consultation with the War Office.	Army Department.	Closed.
69	The share of India or the allowances and gratuities payable to demobilised officers during 1923-24 will amount to £415,000, an increase of £65,000 or Rs. 9.75 lakhs over 1922-23.	74	Increase Rs. 9.75 lakhs.	This is an automatic increase, for which provision was made in the Budget for 1923-24. No action is necessary.	Financial Adviser.	Closed.
	<i>Auxiliary and Territorial Forces.</i>					
70	Recommended that the budget for 1923-24 for the Auxiliary and Territorial Forces be fixed at Rs. 308 lakhs, the main saving being in Territorial Forces charges.	75	Saving Rs. 10.86 lakhs.	The budget allotment for 1923-24 was reduced by Rs. 11.32 lakhs, which includes a reduction of Rs. 18,800 on account of savings in the staff at Army Headquarters for which credit has already been taken under Serial No. 8. No further action is necessary. (A. G.'s case No. A. 1227 A. G., A. and T. F.—Organisation.)	Adjutant-General.	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
	Military Works.					
71	That re-appropriation of funds for Military Works be prohibited except for works included in the sanctioned programme when the re-appropriation should be subject to the surrender of savings being justified by the financial situation.	Page 53, para. 3.	...	The matter is under examination.	Engineer-in-Chief.	
72	That the whole arrangement for accommodating both British and Indian troops should be reviewed, and that it should be considered whether it would be possible in some cases to accommodate the troops in existing barracks, and in other cases whether the old system of hutting grants should not be reverted to until the future distribution of the army and the strength of units have been definitely decided.	Page 54, para. 4.	...	The whole arrangement for accommodating both British and Indian troops has been reviewed. Vacant barracks are being utilized to the utmost extent possible. Those barracks which it is not possible to utilize are being demolished or sold. It is not considered possible to revert to the old system of hutting grants. No further action is required.	"	Closed.
73	That the whole programme of Military Works requirements be examined and entailed on the basis that the total provision for new works and works in progress, apart from the requirements of the Royal Air Force and any special measures rendered necessary by the military situation, should be reduced by Rs. 20 lakhs.	Page 54, para. 5.	Saving of 20 lakhs.	The Committee's recommendation about reduction of provision for new works and works in progress by 20 lakhs as compared with grant for 1922-23 was given effect to in the Budget for 1923-24. No further action is required.	"	Closed.
74	That in the present financial conditions no major works should be embarked on without examination at headquarters and that the annual provision should be reduced to 16 lakhs.	Page 54, para. 6.	Saving of 67 lakhs.	In accordance with His Excellency the Army Member's orders, instructions have been issued to all Commands and to the Independent District of Burma impressing on them the importance of exercising their powers of sanction for major works with the greatest care and regard for economy and instructing them, where necessary, to make a previous reference to Army Headquarters, in order to ascertain whether there is any chance of a reduction or redistribution of garrison. The specific recommendation limiting the annual provision for the reserve for unforeseen requirements to Rs. 16 lakhs has been given effect to in the budgets for 1923-24 and 1924-25. No further action is necessary.	"	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—contd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government	REMARKS.
75	<i>Military Works—contd.</i> That the reserve for buildings and works costing up to Rs. 10,000 be limited to 16 lakhs.	Page 54, para. 7.	Saving of 5 lakhs.	The Committee's recommendation was given effect to in the budget for 1923-24. No further action is required.	Engineer-in-Chief.	Closed.
76	That the possibility be explored of effecting economies in new construction by utilization of vacant buildings for military purposes, and that steps be taken to dispose of all buildings which cannot be so utilised.	Page 55, para. 9.	...	All vacant lines have been carefully considered. Where possible they have been re-occupied. Where accommodation was not possible the lines have been demolished, or in some cases sold. This is the accepted policy. Where land was available for sale it has either been sold or is under consideration for sale. Very few vacant lines now remain for disposal. No further action is required.	"	Closed.
77	That the provision for repairs to buildings in 1923-24 be limited to 55 lakhs.	Page 55, para. 9.	Saving during 1923-24 of 9.47 lakhs.	The Committee's recommendation was given effect to in the budget for 1923-24. No further action is required.	"	Closed.
78	That the decision be expedited on the question of re-transferring certain frontier roads to the civil authorities.	Page 55, para. 10.	...	Necessary orders have been issued.	"	Closed.
79	That the total provision for roads be reduced to 27 lakhs.	Page 55, para. 10.	Saving of 2 lakhs.	The Committee's recommendation was given effect to in the Budget for 1923-24. No further action is required.	"	Closed.
80	That the total expenditure in 1923-24 under the head Miscellaneous be limited to Rs. 73,78,000.	Page 55, para. 11.	Saving of Rs. 8.25 lakhs.	The Committee's recommendation was given effect to in the Budget for 1923-24. No further action is required.	"	Closed.
81	That the staff of officers employed on Military Works should be progressively reduced approximately to the prewar cadre, the grant for establishment in 1923-24 being fixed at of Rs. 5 Rs. 75,05,000, a saving lakhs, and that further saving should be effected thereafter.	Page 56, para. 12.	Saving of 5 lakhs.	The Budget provision for 1923-24 under the head "Establishment" was Rs. 76.87 lakhs i.e., Rs. 75 lakhs for establishment in India and Rs. 1.87 lakhs for furlough charges in England. The Military Works furlough charges for 1923-23 were not budgetted for under the head "Military Works Establishment" but under the general Army head for payment of furlough allowances of officers of the Indian Services. For the year 1924-25 budget provision has been made for Rs. 73.725 lakhs. Proposals have been submitted which reduce the cost of the establishment in future years to Rs. 67.46 lakhs. These proposals are under examination.	"	
82	That the rule under which imported material must be obtained through the High Commissioner for India should be amended, so as to enable new works or extensive repairs to be given out on lump sum contracts.	Page 56, para. 13.	...	It has been decided not to take any further action in regard to the amendment of stores rules as lump sum contracts can be entered into under existing rules. No further action is required.	"	Closed.

Report showing what progress has been made up to 1st October 1924, on the recommendations of the Indian Retrenchment Committee, 1922-23, Military Services—concl'd.

Serial No.	Recommendation.	Reference paragraph of Report.	Financial effect per annum.	Action taken to 15th July 1924.	Branch responsible for taking the orders of Government.	REMARKS.
83	<i>Military Works—concl'd.</i> That some system should be immediately introduced to obviate the wasteful expenditure incurred in consequence of the lapsing of unspent grants.	Page 56, para. 11.	..	With a view to obviate heavy expenditure at the close of the year resulting in waste, the Government of India has sanctioned an over-allotment of 10 per cent. of the grant of Major Works at the commencement of the financial year, on the understanding that an equal amount will be surrendered at the close of the year. No further action is necessary as regards this item.	Engineer-in-Chief.	Closed.
84	That the provision under the head "Tools and Plant" be limited to Rs. 3 lakhs.	Page 57, para. 15.	Saving of Rs. 50,000.	The Committee's recommendation was given effect to in the Budget for 1923-24. No further action is required.	..	Closed.
85	That in the case of all new occupants of Military Works quarters rent should be charged with reference to present rate of interest irrespective of the date of construction, but subject to the usual maximum of 10 per cent. of pay.	Page 57, para. 16.	...	As the recommendation, if adopted would involve a great deal of extra work due to constant revisions necessitated by the fact that rates fluctuate, it has been decided not to pursue this recommendation. But the anomalies referred to by the Committee can be got over by pooling rents. In Army Instruction (India) No. 1053 of 1923 revised rates of interest on capital cost were sanctioned for adoption in calculating rent to be recovered on military residential buildings. The rates vary from 3½ per cent. on buildings constructed before 1st April 1919 to 6 per cent. in the case of buildings constructed after 1st January 1922. These rates of interest are exclusive of charges for maintenance and repairs, and the rent leviable from occupants is subject to the maximum of 10 per cent. of pay in the case of married officers. No further action is necessary.	..	Closed.
86	That a reduction of Rs. 10 lakhs should be effected in the total purchases of Military Works stores in 1923-24.	Page 57, para. 17.	Saving of 10 lakhs.	The Committee's recommendation was given effect to in the budget for 1923-24. No further action is required.	..	Closed.
87	<i>His Excellency the Viceroy's establishments.</i> Reduction in the establishment of His Excellency the Viceroy's bodyguard.	Page 126, para. 3.	Saving 40 lakhs.	A reduction of 1 Indian officer, 10 sowars and 10 horses has been effected in the strength of the body-guard and the strength of the band has been reduced by 8 bandsmen, this producing a saving of about Rs. 62,000.	Adjutant General.	Closed.
88	Reduction in the establishment of His Excellency the Viceroy's band.	Page 126, para. 4.	Saving 42 lakhs.	After full consideration His Excellency the Viceroy has decided that it is not possible to make further reductions.	..	Closed.

A. F. L. BRAYNE,
Financial Adviser.

The 1st October 1924.

GRANTS TO THE TATA INSTITUTE OF SCIENCE, BANGALORE.

170. **Seth Govind Das:** Will the Government be pleased to state what financial assistance both recurring and non-recurring has been given by the Government of India to the Tata Institute of Science, Bangalore, during the last five years and whether they propose to increase the grant?

The Honourable Sir Bhupendra Nath Mitra: Under a Vesting Order, dated the 27th May 1909, issued under the Charitable Endowments Act, 1890, the Government of India are pledged to supplement the income for the time being of the Institute by an annual grant equivalent to one-half of the income of the Institute from time to time derived from "local assets", subject to a maximum of Rs. 1,50,000 in any one year. The income from "local assets" includes the income derived from certain endowed properties in Bombay. In accordance with this Vesting Order, the following contributions were made by the Government of India to the Institute during the last five years:

Year.	Amount.		
	Rs.	A.	P.
1919-20	89,888	6	5
1920-21	88,003	15	2
1921-22	87,500	0	0
1922-23	1,50,000	0	0
1923-24	1,50,000	0	0

No other grants recurring or non-recurring were made by the Government of India to the Institute during the last five years and it is not proposed to increase the grant payable under the Vesting Order.

EXPENDITURE ON REMODELLING LUCKNOW RAILWAY STATION.

171. **Seth Govind Das:** Will the Government be pleased to state the amount of money spent or proposed to be spent on the remodelling of the Oudh and Rohilkhand Railway station in Lucknow in 1924-25 and the following years?

Mr. G. G. Sim: The expenditure incurred in 1923-24 on remodelling the Lucknow station and yard is Rs. 4,23,000 and the sum estimated to be spent in 1924-1925 is Rs. 13,11,000. The provision allowed for this scheme in the budget estimate for 1925-26 is Rs. 25,08,000 leaving a sum of Rs. 20,91,868 for expenditure in 1926-1927.

NUMBER OF RAILWAY WORKSHOPS IN INDIA.

172. **Seth Govind Das:** Will the Government be pleased to state the number of railway workshops in India and the output of railway materials during the last five years?

Mr. G. G. Sim: With reference to the first part of his question, the Honourable Member is referred to the reply given to part (a) of question No. 307, asked by Mr. C. Duraiswami Aiyangar, in this Assembly on the 27th January, 1925.

As regards the second part, Government have not got the information; and, if asked for from Administrations, its compilation would involve a considerable amount of labour and expenditure, incommensurate with the value of the information obtained.

RAILWAY CONNECTION BETWEEN BANGALORE AND OOTACAMUND.

173. **Seth Govind Das:** Will the Government be pleased to state when the Government will connect Bangalore and Ootacamund by rail in South India, and if an estimate has been already made and if so what is its cost?

Mr. G. G. Sim: Bangalore and Ootacamund are already connected by rail. But if the Honourable Member refers to a more direct connection I must inform him that this is not under contemplation at present. The results of the survey carried out in 1910-11 for a line from Nanjangud to Erode with a branch from Kottamanagalam to Mettupalaiyam show that this line is not likely to be remunerative.

RETRENCHMENT EFFECTED BY THE AMALGAMATION OF THE OUDH AND ROHILKHAND AND EAST INDIAN RAILWAYS.

174. **Seth Govind Das:** Will the Government be pleased to state what retrenchment has been effected by the amalgamation of the Oudh and Rohilkhand and East Indian Railways?

Mr. G. G. Sim: The amalgamation has not been undertaken as a measure of retrenchment, but as a measure combining substantial administrative advantages with greater economy in working. By pooling the resources of the two railways it will be possible to make the best possible use of two alternative routes to avoid the loss of revenue which blocks and interruptions on one route are liable to produce when the alternative route is under a different administration; to handle passenger and goods traffic more efficiently and economically; to eliminate six junctions between what are now separate railway administrations and so reduce the expense and inconvenience of such junctions; to do away with the elaborate adjustment of accounts for wagon interchange between the two railways with its consequent necessity for an expensive technical examining and repair staff at the junctions, and a large establishment at headquarters to deal with the accounts and with damage and deficiency claims; to avoid the detention of wagons at interchange points so reducing losses from delays and thefts; and to pool the workshop resources of the two railways, thereby obtaining improved production and reductions in the cost of heavy repairs and in light mileage. It is impossible to give an exact figure as to the money value of these various advantages which will gradually accrue but it will obviously be very large. Incidentally, combined with the introduction of a divisional system of organisation, the amalgamation is expected to result in a saving of about six lakhs of rupees per annum in the cost of various establishments.

THROUGH TRAIN SERVICES BETWEEN HOWRAH AND PESHAWAR VIA LUCKNOW.

175. **Seth Govind Das:** Will the Government be pleased to state whether there will be any through train services between Howrah and Peshawar via Lucknow?

Mr. G. G. Sim: No such proposal is under consideration at present.

THROUGH TRAIN SERVICES BETWEEN ALLAHABAD AND NAGPUR VIA ITARSI.

176. **Seth Govind Das:** Will the Government be pleased to state whether there will be any through train services between Allahabad and Nagpur via Itarsi?

Mr. G. G. Sim: Government are not in a position to say. The provision of through services largely depends on the amount of traffic offering in each case.

REDUCTION OF THIRD CLASS FARES ON STATE-MANAGED RAILWAYS.

177. **Seth Govind Das:** Will the Government be pleased to state when they propose to reduce the third class railway fares on State-managed railways?

Mr. G. G. Sim: The Honourable Member is referred to the reply given in this Assembly on 30th January, 1925, to question No. 505 and to the paragraph relating to passenger fares in the Honourable the Railway Member's speech on the 20th February 1925, introducing the Railway Budget for 1925-26.

PREVENTION OF THEFTS ON PASSENGER AND GOODS TRAINS.

178. **Seth Govind Das:** Will the Government be pleased to state what steps the Government have taken to prevent thefts on passenger and goods trains of the Indian railways?

Mr. G. G. Sim: The Honourable Member is referred to the reply given in this Assembly on 22nd January 1925 to question No. 23, and also to the paragraph relating to compensation claims in the speech, on 20th February 1925, of the Honourable the Railway Member introducing the Railway Budget for 1925-26.

TRAIN SERVICES TO PILGRIM CENTRES.

179. **Seth Govind Das:** Will the Government be pleased to state what steps the Government have taken to provide sufficient carriages and train service to pilgrim centres at the times of fairs, Jattras, etc.?

Mr. G. G. Sim: The Honourable Member is referred to the speech of the Honourable the Railway Member, introducing the Railway Budget for 1925-26, wherein the provision made for additional third class passenger rolling-stock is stated.

PURCHASE OF RAILWAY STORES.

180. **Seth Govind Das:** Will the Government be pleased to state what steps the Government have taken to purchase railway stores, materials, rolling stock, etc., in India and in the cheapest market in the world?

Mr. G. G. Sim: The new Stores Rules, which were brought into force in May last year, indicate the steps taken by Government to purchase railway and other stores in India. These rules have been supplemented by the provision in the Steel Industry (Protection) Act, 1924, for increasing import duties on certain classes of stores and for giving bounties on medium and heavy steel rails and fish-plates and on wagons manufactured in India.

2. As regards steps taken by Government to ensure that railway stores, etc., are purchased in the cheapest market in the world, the Honourable Member is informed that the D. G., I. S. D., London, in the case of State-worked Railways, and the Government Director, on the Home Boards of Company-worked Railways, have instructions that the lowest satisfactory tender should be accepted in each case, irrespective of the country of origin.

RESIGNATION BY SIR DADIBA DALAL OF THE OFFICE OF HIGH COMMISSIONER FOR INDIA.

181. **Seth Govind Das:** Will the Government be pleased to state whether Mr. Dalal resigned his post as High Commissioner for India, due to (a) ill-health, or (b) differences of opinion between him and the Secretary of State for India or the Government of India?

The Honourable Sir Charles Innes: The Honourable Member is referred to my reply to similar questions asked on the 22nd January last.

APPOINTMENT OF A NON-OFFICIAL INDIAN AS HIGH COMMISSIONER FOR INDIA.

182. **Seth Govind Das:** Will the Government be pleased to state why a non-official Indian was not appointed to succeed Mr Dalal?

The Honourable Sir Charles Innes: The Honourable Member is referred to the answer given on January 30th last.

TRANSFER OF AGENCY FUNCTIONS TO THE HIGH COMMISSIONER FOR INDIA.

183. **Seth Govind Das:** Will the Government be pleased to state when the remaining agency functions will be transferred to the High Commissioner from the Secretary of State for India?

The Honourable Sir Charles Innes: The Honourable Member is referred to my reply to a similar question No 170, dated March 1st, 1924. The position is as then explained.

STATUS OF THE HIGH COMMISSIONER FOR INDIA.

184. **Seth Govind Das:** Will the Government be pleased to state whether the status of the High Commissioner for India is equal to the status of the High Commissioners for the Dominions in all respects? If not, in what respects is his status inferior?

The Honourable Sir Charles Innes: The standing of the High Commissioner for India is the same as that of other High Commissioners within the scope of the functions allotted to him.

RECOMMENDATIONS OF THE LYTTON COMMITTEE REGARDING THE INDIAN STUDENTS DEPARTMENT IN ENGLAND.

185. **Seth Govind Das:** Will the Government be pleased to state what action they have taken on the recommendations of the Lytton Committee with reference to the Students' Department of the High Commissioner's office in England?

Mr. J. W. Bhore: The attention of the Honourable Member is invited to the paper laid on the table on the 16th February 1925, in reply to Khan Bahadur Sarfaraz Hussain Khan's starred question No. 850.

THE PROPOSED INTER-UNIVERSITY BOARD.

186. **Seth Govind Das:** Will the Government be pleased to state how many Universities in India have agreed to participate in the Inter-University Board, as a result of the recommendations of the Universities Conference held at Simla in May 1924?

Mr. J. W. Bhore: Eleven Universities have so far definitely decided to join the proposed Inter-University Board.

LOCATION OF THE PROPOSED INTER-UNIVERSITY BOARD.

187. **Seth Govind Das:** Will the Government be pleased to state where the headquarters of the proposed Inter-University Board will be located and what its functions will be?

Mr. J. W. Bhore: The information asked for is given in resolutions 37 and 39 of the Indian Universities' Conference. The resolutions will be found in Bureau of Education Pamphlet No. 18, copies of which were supplied to all the Members of the Indian Legislature and placed in the Members' Library.

COMPULSORY MILITARY TRAINING FOR UNIVERSITY STUDENTS.

188. **Seth Govind Das:** Will the Government be pleased to state how many Universities in India have approached them to provide compulsory military training in the University Training Corps by supplying them with rifles, Sergeant Instructors, etc.?

Mr. E. Burdon: The Aligarh Muslim University is the only University that has applied to the Government of India for the provision of compulsory military training.

SUPPLY OF RIFLES TO THE UNIVERSITY CORPS OF THE UNITED PROVINCES.

189. **Seth Govind Das:** Will the Government be pleased to state when the University Training Corps of the United Provinces will be supplied with rifles?

Mr. E. Burdon: I would invite the attention of the Honourable Member to the reply given on the 22nd January to unstarred question No. 50. The matter will be further considered in connection with the Report of the Auxiliary and Territorial Force Committee.

INCREASE OF THE ANNUAL GRANT TO THE BENARES HINDU UNIVERSITY.

190. **Seth Govind Das:** Will the Government be pleased to state whether they have considered the advisability of increasing the annual grant to the Benares Hindu University in view of the recent expansion of the University?

Mr. J. W. Bhore: The question is under consideration.

INCLUSION OF AUDITING, ACCOUNTANCY, ETC., AS SUBJECTS FOR THE
INDIAN FINANCE, CIVIL SERVICE AND OTHER PUBLIC
EXAMINATIONS.

191. Seth Govind Das: Will the Government be pleased to state whether commercial subjects such as auditing, accountancy, commercial geography, business organization, etc., are included in the Indian Finance, Civil Service and other public examinations conducted by the Government of India? If not, when do they propose to include them?

The Honourable Sir Basil Blackett: The information required by the Honourable Member is being collected and will be furnished to him as soon as possible.

RECRUITMENT OF BACHELORS OF COMMERCE IN CERTAIN SPECIFIED
SERVICES.

192. Seth Govind Das: Will the Government be pleased to state what facilities have been provided for the holders of the degree of Bachelor of Commerce in the recruitment for public service in the Departments of Customs and Inland Revenue, Income-tax, Commerce, and Industries under the Government of India?

The Honourable Sir Basil Blackett: As regards Customs, I may say that no special facilities have been provided for holders of the degree of Bachelor of Commerce; that the Imperial Customs Service is recruited by a combined system of nomination and examination and not on a scrutiny of academic qualifications; and that in recruiting for the subordinate ranks, Collectors of Customs doubtless give due weight to any such qualifications. In regard to the Income-tax Department, the attention of the Honourable Member is invited to my reply to question No. 1995 by Mr. C. S. Ranga Iyer on September 16th, 1924.

Appointments other than those of a clerical nature in Departments under the Commerce Department are extremely few and vacancies are correspondingly few. No special facilities have been provided for holders of the degree of Bachelors of Commerce.

So far as the services and appointments under the direct control of the Department of Industries are concerned, no special facilities are provided in the recruitment of persons holding the degree of Bachelor of Commerce.

EXPORT OF FOOD GRAINS.

193. Seth Govind Das: Will the Government be pleased to state what steps they have taken or propose to take to prevent or restrict the export of wheat and other food grains from India in view of the chronic shortage of food grains in India?

Mr. J. W. Bhore: The Government have no reason to believe that there is such a shortage of food grains as to justify action on the lines indicated by the Honourable Member.

EXPORT OF CATTLE.

194. Seth Govind Das: Will the Government be pleased to state the number of cattle exported from India during the last five years and the names of the countries to which they have been exported?

The Honourable Sir Charles Innes: The Honourable Member is referred to the Accounts of the Sea-borne Trade and Navigation of British India of which copies are in the Library.

EXISTENCE OF A SECTION OF ANIMAL HUSBANDRY IN THE PUSA AGRICULTURAL COLLEGE.

195. Seth Govind Das: Will the Government be pleased to state whether the Pusa Agricultural College and Institute has a section of animal husbandry to improve the breeding of cattle in India?

Mr. J. W. Bhore: I am not quite clear as to what the Honourable Member means.

The breeding and improvement of cattle are receiving close attention at Pusa, but the Institute of Animal Husbandry is located at Bangalore.

REDUCTION OF THE POSTAGE ON ENGLISH LETTERS.

196. Seth Govind Das: Will the Government be pleased to state the reasons why the postal rate for a letter from India to England is two annas, while a letter from England to India costs only three half pence which is only $1\frac{1}{2}$ annas, and whether the Government propose to reduce the postage in India on English letters?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member is referred to the reply given by Sir A. C. Chatterjee on the 5th February 1924, to parts (b) and (c) of Dr. Gour's question No. 181.

REDUCTION OF POSTAGE RATES ON LETTERS AND POST-CARDS.

197. Seth Govind Das: Will the Government be pleased to state what steps the Government have taken or propose to take for the reduction of postage from one anna to half anna on letters, and from half anna to one quarter anna in the case of post-cards, in view of the chronic poverty of the people?

The Honourable Sir Bhupendra Nath Mitra: I would ask the Honourable Member to await the presentation of the Budget.

EUROPEAN, ANGLO-INDIAN AND INDIAN SUPERINTENDENTS OF POST OFFICES.

198. Seth Govind Das: Will the Government be pleased to state the number of Superintendents of Post Offices in tabular form, under the heads, i.e., (a) Europeans, (b) Anglo-Indians and (c) Indians?

The Honourable Sir Bhupendra Nath Mitra:

Europeans	3
Anglo-Indians	50
Indians	128

SUPPLY OF WARM CLOTHING TO POSTMEN.

199. **Seth Govind Das:** Will the Government be pleased to state the reasons why only one livery dress and no warm clothing is supplied to the postmen every year, when two were supplied formerly?

The Honourable Sir Bhupendra Nath Mitra: Two sets of uniform are supplied annually to postmen only in exceptional cases and this has always been the practice. Warm clothing is supplied in certain places where the rigour of the climate demands it.

PROFESSOR JEVONS' BOOK "MONEY, BANKING AND EXCHANGE IN INDIA."

200. **Seth Govind Das:** Will the Government be pleased to state the number of copies of Prof. H. Stanley Jevons book on "Money, Banking and Exchange in India" published by the Government of India, the number sold, and the amount of money spent by the Government of India in getting it published and any compensation the Government may have paid to the author?

The Honourable Sir Basil Blackett: 3,000 copies were printed of which 2,128 have been sold. The cost of printing was Rs. 2,565 while the amount paid to the author was Rs. 7,079. The sale price of the book being Rs. 2-8-0, it will be seen that the Government have recovered the cost of printing and nearly half the amount paid to the author as well.

SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS.

201. **Seth Govind Das:** Will the Government be pleased to state whether the Government have received any representations from the Provincial Governments, with reference to the separation of the judicial and executive functions and if so what steps they will propose to take to give effect to these representations?

The Honourable Sir Alexander Muddiman: I have nothing to add to the answer given by me to Khan Bahadur Sarfaraz Hussain Khan's question No. 144 on the 23rd January 1925, and Maulvi Muhammad Yakub's question No. 383 on the 28th January 1925.

ABOLITION OF DIVISIONAL COMMISSIONERSHIPS.

202. **Seth Govind Das:** Will the Government be pleased to state whether the Government have received any representations from the Provincial Governments with reference to the abolition of the post of commissionerships and if so, what steps they propose to take to give effect to those recommendations of the Provincial Governments?

The Honourable Sir Alexander Muddiman: The matter has been the subject of correspondence with Provincial Governments whose replies have been received and are now under consideration. As I stated on the 22nd January 1925, in reply to Maulvi Muhammad Kazim Ali's question on the same subject, no final decision has yet been arrived at.

**NOMINATION OF THE INDIAN DELEGATION TO THE LEAGUE OF NATIONS
FROM A PANEL OF REPRESENTATIVES ELECTED BY THE ASSEMBLY.**

203. Seth Govind Das: Will the Government be pleased to state whether the Government would allow the Legislative Assembly to elect a panel of representatives of India for the Assembly of the League of Nations to be held in September, 1925, out of whom the Government may nominate?

Mr. L. Graham: The answer is in the negative. The Honourable Member is referred to the reply given to his unstarred question No. 453 on the 22nd September 1924.

**ELECTION BY THE TRADE UNIONS OF INDIA OF THE INDIAN REPRESENTATIVE
FOR THE INTERNATIONAL LABOUR CONFERENCE.**

204. Seth Govind Das: Will the Government be pleased to state whether the Government would allow the Trade Unions of India to elect their representative for the International Labour Conference to be held in 1925 at Geneva?

The Honourable Sir Bhupendra Nath Mitra: No provision is made in the Treaty of Versailles for the representation of trade unions as such. Representation is given to the workpeople of India, and the delegate has to be nominated by Government; he is to be chosen in agreement with the industrial organizations, if such organizations exist, which are most representative of the workpeople of the country. Government are unable to depart from the provisions of the Treaty.

MESSAGES FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that at a meeting of the Council of State held on the 23rd of February, 1925, a motion that the Bill to repeal certain provisions of the Indian Criminal Law Amendment Act, 1908, as passed by the Legislative Assembly, be taken into consideration was rejected by the Council, and that a similar motion in regard to the Bill further to amend the Indian Railways Act, 1890, as passed by the Legislative Assembly, was rejected by the Council of State at their meeting held on the 26th February, 1925."

(Cries of "Shame").

A further Message has been received from the Secretary of the Council of State which runs as follows:

"I am directed to inform you that the Council of State have at their meeting held on the 26th February, 1925, agreed without any amendments to the Bill to determine the salary of the President of the Legislative Assembly which was passed by the Legislative Assembly at their meeting held on the 18th February, 1925."

Mr. President: It has been represented to me that, as it is not our usual practice to sit on Friday, and as Friday is a day set apart for special prayers by one section of this House, it may be desirable for us to adjourn a little earlier and a little longer at the luncheon interval than usual. Therefore, I propose to adjourn shortly before one o'clock. Whether that means that we shall have to sit later in the evening remains to be seen!

THE RAILWAY BUDGET—LIST OF DEMANDS—*contd.*

SECOND STAGE—*contd.*

Expenditure from Revenue—contd.

DEMAND No. 2—INSPECTION.

Mr. President: The House will now resume consideration of the Demands for Grants on Railways.

The question is:

“That a sum not exceeding Rs. 1,14,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘Inspection’.”

DUTIES OF GOVERNMENT INSPECTORS.

Mr. B. Venkatapatiraju (Ganjam. *cum* Vizagapatam: Non-Muham-madan Rural): Sir, I move:

“That the Demand under the head ‘Inspection’ be reduced by Rs. 20,000.”

I may at the outset say, Sir, that I wanted to raise this question, first-ly because I was under the mistaken impression that the Government Ins-pectors have only business to do with the railway lines managed by Com-panies. I learned from Mr. Hindley that they have to inspect State lines as well, and therefore it matters very little to them whether the railway lines of the East Indian Railway or the Great Indian Peninsula Railway are under Company management or under direct State management. There-fore, we must have Government Inspectors as before. But with reference to the Government Inspectors I do not understand how the Acworth Com-mittee’s Report was disposed of either by the Government or by the Rail-way Board in connection with the distribution of these Inspectors, because they themselves suggest at page 42:

“At the present moment there are eight different Circles in India, each with an Engineering Inspector who is required to make a minute inspection of every mile of railway in his Circle every year. We cannot believe that this amount of inspection is necessary, and we recommend therefore that economy be effected by reducing the Engineers’ circles to three, *viz.*, the three divisions for which Commissioners will be appointed. It may, however, be necessary in one or more of the divisions to appoint in addition an Assistant Engineering Inspector.”

I understand that not only have we eight Inspectors but there are addi-tional Assistant Inspectors. They go on to say:

“The money saving effected can be utilised for the appointment in each of the divisions of an Inspector of Traffic who will work under the Commissioner of the division. Such Inspectors are more especially needed at the present time.”

I want to know how far their recommendations were given effect to and why when saving can be effected in this direction whether it is possible to effect any saving at all. From what I learned from the evidence given before that Committee by the Secretary of the Madras Government P. W. and Railway Branch, who is also now Government Inspector, he definitely stated the duties of the Government Inspectors, how far they are able to be carried out either by the companies or otherwise and how far their reports were given effect to even by the Board. One of the main considerations he points out is that these

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Inspectors are appointed in order to find out whether the public convenience is attended to by all the railways, whether there was any overcrowding, whether there were any accidents, and if so who were responsible for it, whether there were any fresh feeder lines, can be stated with reference to each circle. And in his evidence, you will notice that he condemned Company management to such an extent as any Indian politician would do and even quoted the authority of the Madras Government in support of his view. He stated that the Companies who are managing the railway lines are managing them in their own interest and he states further that they do not care for the public interest at all. Such a pronouncement from an Englishman, backed up by such a Government, requires serious notice. And they also stated that the large amount which ought to be spent in the Madras Presidency was not done at all because neither the Companies favoured it nor, being a far-off benighted province, did the Railway Board take it into consideration. Now I ask whether full work is being taken by the Government from these Inspectors instead of asking them whether they have inspected every foot of the railway line on the main lines. The Acworth Committee suggested that this was unnecessary. There are only two departments which are in actual touch with the public as well as with the administration. They are the Audit Office in order to point out the defects in the finances and the Inspectors to point out other defects. We sometimes notice these Auditors' reports in the Advisory Board, but I have never come across the reports which the several Inspectors may from time to time make to the Board. I understand they make six monthly reports, though not monthly reports. Why should these not be placed before the Advisory Board? It is true that they are treated as confidential. It may not be published in the newspapers. But unless you take the Advisory Board into your confidence, unless you tell us what our Inspectors who supervise these lines managed by Companies have said and what defects they have pointed out for redress, I do not understand how the Advisory Board can do useful work. Supposing an Inspector reports that there are certain defects that he has pointed out on many an occasion that there is overcrowding and that no steps are taken to remedy it, if that report was placed before the Advisory Board, the Advisory Board can with authority ask the Railway Board what steps were taken. But if you keep all these reports sent in by Government Inspectors confidential, I do not think that the Railway Advisory Board can be of much service, either to the Railway Board or to the public. Therefore, one of my questions in connection with these Inspectors is whether they are making any reports, and if so, whether they will be placed before the Railway Advisory Board. We know that formerly there were 7 circles. Now they have 8 circles. It was also suggested by the Acworth Committee whether it is possible to reduce expenditure in any direction. For my part, I am not advocating any false economy. If it is absolutely necessary for efficient service, you can have not only 8 circles but you can have 12 circles. I do not mind it. What I want to know is whether you are taking full work from these Inspectors and Assistant Inspectors whom you are employing, whether they are making reports with reference to branch and feeder and other lines and with regard to the inconveniences felt by passengers, and if they are reporting, whether their reports can be placed at least before the Advisory Board. Perhaps Sir Charles Innes will say that they are in

the Library. At least I have not seen any Inspector's report in the Library. Therefore, Sir, I want a full and frank expression of opinion from the Government why they want to condemn the recommendations of the Acworth Committee so far as this matter is concerned, and what steps they have taken in the matter of improving them. I may say that under the contracts entered into with the various companies Government have a statutory duty to do various things, to see that these Inspectors are carrying out their duties fully and fairly so that we may not lose any money which we are entitled to, and to see that the lines are kept in proper repair and that every other facility is provided. I expect an answer from the Government on these points, Sir.

Mr. President: Reduction moved:

"That the Demand under the head 'Inspection' be reduced by Rs. 20,000."

Mr. C. D. M. Hindley (Chief Commissioner, Railways): Sir, I find it a little difficult to understand why the Honourable Member has put his name down to this extensive cut of Rs. 20,000 in our provision for Government Inspectors. If he had intended to ask the House to censure us for not in practice carrying out the duties of Government Inspectors or if he had intended merely to ask for information, he might very well have put down a nominal cut of Rs. 100. If that is the Honourable Member's intention, it would simplify what I have to say. Do I take it that the Honourable Member is prepared to reduce his proposed cut to Rs. 100?

Mr. B. Venkatapatiraju: Yes, Sir.

Mr. C. D. M. Hindley: I would ask you, Sir, to take note of the fact that the amendment has been changed from a cut of Rs. 20,000 to a cut of Rs. 100. May I take it that that is the amendment before the House? That simplifies my task because I was about to explain what the cut of Rs. 20,000 would mean. I take it, then, Sir, that Mr. Venkatapatiraju's intention is to ask for information about the duties of Government Inspectors, and I should like to explain that Government Inspectors are appointed as statutory officers under the Indian Railways Act. The duties of these Inspectors of Railways are laid down in section 4 of that Act and they are as follows:

"(a) to inspect railways with a view to determine whether they are fit to be opened for the public carriage of passengers, and to report thereon to the Governor General in Council as required by this Act;

(b) to make such periodical or other inspections of any railway or of any rolling-stock used thereon as the Governor General in Council may direct;

(c) to make inquiry under this Act into the cause of any accident on a railway; and

(d) to perform such other duties as are imposed on him by this Act, or any other enactment for the time being in force relating to railways."

There are also in the body of the Indian Railways Act other statutory provisions which relate to further duties required of the Government Inspector.

I do not think it is necessary for me to argue at any length as to the necessity for our having an adequate staff of Inspectors to take charge particularly of the matter of public safety. It must be obvious, and I think it is obvious, to the Honourable Member who moved this amendment, that in the case of any corporation or company working a railway it is necessary for the Government to see that throughout the whole of its operations it is complying with the provisions of the Railways Act in

[Mr. C. D. M. Hindley.]

respect of public safety. Exactly similar conditions apply in regard to the State-managed railways. We hold, and I think this House will agree with us, that where any one, be he an officer of the Government or an officer of a company, is carrying out works which are designed to carry passengers,—either rolling-stock, permanent way, bridges, stations, interlocking or anything of that kind, which is connected closely with the safe working of the trains,—or where any one is, making alterations to existing works, it is essential that we who have the final responsibility for the safety of the travelling public should have our own officer to watch that work and to see that our requirements are properly carried out. I do not think it needs very much argument to see that that is essential. I would ask Honourable Members to bear in mind that at the present moment we are engaged in a very large number of new works all over the railways in India affecting the question of the running of trains. We are not only building new stations and doubling sections of the line connected with all these works, but there are alterations to the running lines over which trains run, to signalling, to interlocking and to various other technical equipment connected with the running of trains, and it is essential that at this time we should have an adequate staff of Inspectors to watch those works. It is perhaps more essential when you are making changes in regard to technical equipment to have your watch-dog there to see that the provisions required for public safety are adhered to.

Then, the next point is, whether our present staff of Inspectors is too large or too small, and here I will deal with the Honourable Member's remarks regarding the Acworth Committee's recommendations. It is perfectly true—I think the Honourable Member has read the extract from the Acworth Committee's report—that the Committee recommended a reduction in the number of circles. Well, we have at present eight circles in all, 7 in India and one in Burma. Circle No. 1, in charge of the Government Inspector at Calcutta, who has general charge of the East Indian Railway and the Bengal Nagpur Railway, has a total mileage of 9,146. Circle No. 2, which embraces the Eastern Bengal Railway and the Assam Bengal Railway, has a total mileage of 4,649. The subsidiary Circle, which we call the 8th Circle or 2 (a) covers the Burma Railways and has a total mileage of 2,239. This is held by a junior officer. No. 3 Circle, in charge of the Government Inspector at Lucknow, covers the Bengal and North-Western Railway and the Oudh and Rohilkhand Railway and has a total mileage of 5,243. No. 4 Circle at Lahore—the Senior Government Inspector has in his charge the whole of the North Western Railway system and certain subsidiary lines, with a total mileage of 8,504. Circle No. 5, Bombay, has the Bombay, Baroda and Central India Railway and various railways in the Indian States in its charge with a total mileage of 8,018. Circle No. 6 in Bombay has charge of the Great Indian Peninsula Railway and His Exalted Highness the Nizam's State Railway with a total mileage of 6,856. Circle No. 7, in charge of the Senior Government Inspector stationed at Madras, covers the Madras and Southern Mahratta Railway and the South Indian Railway with a total mileage of 6,194.

Now, Sir, the Acworth Committee's recommendation was that we should reduce those eight circles to three. That would mean that we should have to very largely increase the mileage over which these officers carried out their duties. I had to consider what should be done with

this recommendation when I first took office, and my first impression of the matter was that by reducing the actual annual inspection to possibly biennial inspection, that is to say, by reducing the mileage over which the Inspector is to travel per year, we might be able to make some reduction. I foresaw, however, certain dangers and I held a conference of the Government Inspectors in order to ascertain how that would affect their work and their duties. The information which I received at that conference gave me reason to pause and I have still not come to a final conclusion on the matter whether it is possible to reduce the number of officers or not. The considerations which weigh with us in this matter are whether at this particular time, as I have already said before, when we are undertaking a very large programme of improvement and rehabilitation, it will be wise to reduce in any way this supervision in the direction of public safety. At the moment I do not feel justified in making a recommendation to Government that the number of Inspectors should be seriously reduced. We may come to a different decision, but I must ask for more time and I do not think that this House would at the moment like to come to a decision definitely in favour of reducing the amount of inspection. I refer briefly to one sentence in the Acworth Committee's report where they said that the Inspector was required to inspect every foot of the track under his charge once a year. That is a broad general statement, but it is not strictly true in the literal sense that the officer in question examines every foot of the track. It would be obviously impossible for any one to examine every foot of the 9,000 miles of track in the course of the year. What the Acworth Committee intended to say was that under our standing orders the Government Inspector was required to make every year a complete inspection journey over the whole system under his charge. That is usually done at the same time as the annual inspection carried out by the Agent and the senior officers of the line of their system. The Government Inspector travels with them and it may be perfectly correct to say that he does see almost every foot of the lines, but it cannot be considered to be a meticulous examination of every foot of the permanent way, as of course, is required to be done by the engineers in charge of the permanent way. As the result of those annual inspections we receive yearly reports from the Government Inspectors on technical matters which come to their notice in the course of their inspection, and we attribute very great value to the fact that we are able to place one of our officers with the senior officers of the Railway when they are making their annual inspection. The technical matters which crop up at the time of inspection can be discussed by him with the junior officers and subordinates who are in charge of the work, and he can form his own opinion of the work as it is being done. That is one of the reasons which weighed with me in bringing the matter to a point of uncertainty as to whether we could reduce the number of Inspectors. Those reports which we receive are very largely of a technical nature. They refer to all the cases of defective working of signals, points and crossings, permanent way and so forth, and they are extremely valuable documents to us from the technical point of view. Those reports are dealt with by the administrative officers who are responsible for the working of the Railways, and we consider finally their replies to the criticisms made by the Government Inspectors. Now, Sir, I would submit that those documents are of a highly technical nature and would not be of very great value to the Central Advisory Council if we did place them at their disposal. There is nothing to hide in them and

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I would have no objection to any Member of the Council seeing them. But where matters of a highly technical nature are possibly under prolonged discussion and dispute between the Government Inspector and the railway administration or between us and the railway administration, there is no particular object in the Central Advisory Council dealing with those matters which are, as I say, of a highly technical nature.

The other subjects which the Honourable Member referred to were such matters as the public convenience, overcrowding, accidents, and so on.

I will take first the question of accidents, though here I am on somewhat difficult ground because I see that a further motion has been put on the paper asking the House to censure us in regard to accidents and safety of the public. So I do not want to go greatly into the matter of accidents if that is coming up later. It occurred to me that there were possibly two schools of thought among the Members of the Assembly, one who wished us to reduce our inspection because they thought we were overdoing the consideration we pay to the matter of public safety, and the other who think that we are not doing sufficient inspection. I do not know which will prevail; perhaps the voting will show.

With regard to accidents, I may say that this subject forms one of the important duties of Government Inspectors. We revised our rules regarding inquiries into accidents about 18 months ago and we have laid further obligations on Government Inspectors to inquire into accidents of a certain nature. The Government Inspector was in fact given discretion to hold an inquiry himself into any accident which he considered to be of sufficient importance. Ordinarily accidents of a minor nature are inquired into and reported on by the officers of the railway who are responsible for the particular locality. It is laid as an obligation on Government Inspectors to hold inquiries where they consider the importance of the accidents makes it advisable to do so. It would be impossible for Government Inspectors to hold inquiries into every accident unless we had a very much larger staff.

Regarding matters of public convenience and overcrowding and so on, we have from time to time issued special orders to Government Inspectors either in the direction of making special investigations for us or of watching generally in the course of their inspections such matters. In one particular case Government Inspectors were called upon to make a special investigation into the conditions of third class passengers. The results of their investigations and their reports, together with information regarding the action taken by them, have now been placed in the Library and we shall follow that practice wherever we instruct Government Inspectors to make special investigations into matters affecting the travelling public. The Government Inspectors have general orders to watch in the course of their inspections matters affecting the convenience of third class passengers. It is open to them at any time to make special reports to us, but they do, at the time of their annual inspection reports, make remarks on which the railway administrations take action or on which we insist upon action being taken. That, I think, meets the various points which the Honourable Member has raised, and I do not think I can go further into the subject. The House may not perhaps wish me to go into it but I would like to draw the attention of the House to the fact that if this

vote of censure is passed, it would imply that we have an overheavy staff of Inspectors. Personally, I am not prepared to admit that, and I could not fulfil my responsibility with regard to the safety of the travelling public if the number of Inspectors were at this time seriously reduced.

Mr. President: I understand the Honourable Member moved for a reduction of the higher figure of Rs. 20,000.

Mr. B. Venkatapatiraju: I want to reduce it by Rs. 100.

Mr. President: The House is aware that I put the original motion for a reduction of Rs. 20,000 as it stood on the paper. I think the Honourable Member had better withdraw his motion and I will call upon Mr. Duraiswami Aiyangar to move his motion for reduction by a lower figure.

The amendment was, by leave of the Assembly, withdrawn.

ACCIDENTS ON RAILWAYS.

Mr. C. Duraiswami Aiyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): I rise to move my amendment that the Demand under this head be reduced by Rs. 100.

With reference to the observations of the Honourable Mr. Hindley regarding the necessity for the inspecting staff personally I do not see my way to differ, but at any rate I cannot but express the opinion that, as in all other cases so here, the administration is very expensive. If my information is correct, the inspecting staff in England consists only of a Chief Inspector on £1,400, two Inspecting officers on £750 to £1,000, an Assistant Railway Inspector on £500 to 700, and an officer for the light railways on £700. The entire expenditure for a large amount of mileage in England comes to about Rs. 72,000, whereas here we spend Rs. 2,50,000.

Mr. K. Ahmed: You have no idea of England.

Mr. C. Duraiswami Aiyangar: I have got an intense idea of England by virtue of what I see of the administration here. I have got a picture of it here in this country. Sir, so far as these Inspectors are concerned, I see, or to be more accurate I hear of, these Inspectors for the first time only in the Budget. I wish the Government Members had supplied us with photographs of these Inspectors so that we may be in search of them during our travel, if we ever come across an Inspector. I am a frequent traveller in the railway trains and yet I have not yet come across an Inspector. I daresay he is supplied with a saloon. I have no objection to a saloon for him but I wish very much that the saloon is not fitted with bug-proof chairs. The only idea that we get of any inspecting officer when travelling in a train is when we find lights burning, water in the closet, station masters and staff cleanly dressed and running about in a busy manner to the tail-end of the train. It is only then that we find an indication that some inspecting officer is in a saloon. I have not come across any inspecting officer inquiring either of the first class passenger or the second class passenger, or much less the third class passenger as to his conveniences or inconveniences. If only an inspecting officer had ever travelled on the metre gauge line of the Madras and Southern Mahratta Railway, that line would not be in the state in which it is. If

[Mr. C. Duraiswami Aiyangar.]

only you take your bed on the metre gauge railway in the second class or first class even, I am not sure that you will find yourself on the bed by the time you reach the next station. You will be on the floor of it. That is the kind of rocking carriages we have got there. Now as regards the conveniences of passengers, apart from the question of seating arrangements. We have got a through line from Gudur up to Villupuram partly managed by the Madras and Southern Mahratta Railway and partly by the South Indian Railway, and yet while the line runs right through from Villupuram to Gudur we have to break our journey at Katpadi, sit up there during nights, lie down on the platforms with children. Of late they have been pleased to give us only one through train, and those who travel by other trains must necessarily halt for hours and hours together at Katpadi. If only an Inspector had been travelling on that line he would not have taken the shuttle service between Katpadi and Chittoor, Katpadi and Pakala, for he would have to wait for several hours together to catch the next train.

Sir, so far as accidents are concerned, I need not say much. If you only compare the figures you will find that taking the figures of 1922 in England there were 78 passengers killed and in India 636 passengers. Amongst servants 207 were killed in England and 455 in India; amongst other persons 376 there and 2,058 here. Is that the remedying of accidents? Now, Sir, it is lucky for the Railway Administration here that people who meet with accidents in India do not go in for suits for tort-compensation and damages. If this were the case in England, the railways would have had to pay heavily for accidents. I may mention one notable instance of suing for damages in this country. That was in Bombay. That was the case in which the railway train was taken off the platform and a passenger had to get down without lights. He got down in the dark and broke his knees. The Bombay High Court on the original side gave him heavy damages, but the Appellate side took an extraordinary view of the matter and sympathising with the railway company they wanted to see if they could get rid of that compensation. They asked the Government astronomer to fix a date having the same kind of planetary combination, the same kind of light, the same kind of sky circumstances and on a day so fixed the High Court Judges went there for inspection and found there was light enough to see and that there was no difficulty there in getting down. And the Madras Law Journal put a query as to why they

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did not try a further experiment—that of falling from the train and breaking their legs to see what compensation should be paid to them. The Privy Council set aside the finding of the Bombay High Court and gave a decree for damages. In the Mangapatam disaster the railway escaped very cheap and they have done so in the case of several accidents. If only the Indian passengers would try or attempt to teach a lesson to the railway companies on one or two occasions, I think that would be the surest method of putting a stop to these accidents, as no number of rules and other things can which you are trying to invent. I wish they would give such opportunities to us and we will teach them how to treat railway companies. But accidents apart, I do not know under what head to put the Malabar wagon tragedy. My friends rightly remind me of it, but I do not myself know under what head to put it. Is it an accident? Is it a wilful negligence? Is it culpable negligence or is the railway company engaging in the preservation of law and order in the country by getting rid of persons who disturb law and order? Sir, the Malabar wagon

tragedy is a case which is unparalleled and you cannot speak in the same breath of even the Black Hole of Calcutta which you make so much of in all your histories. In the Moplah wagon tragedy a number of Moplahs were huddled together in a closed wagon without air to breathe, without water to drink, conditions which soon killed them off. Are these the accidents you are preventing? Sir, we do not for one moment grudge 8 Inspectors or 16 Inspectors, provided you take care that these Inspectors really do their duty, really protect the people, really come in contact with the passengers of not only the first and second class but third class passengers as well, and look to their convenience. Sir, the way in which the railway does its work in the Presidency, on the metre gauge lines particularly, —the delays at stations, the speed—you would yourself be shocked at it. I think it is not even an economy for the railway company to keep an engine working for such a long time for nothing else than to change the officials and in fact the speed with which the train goes from Pakala to Madanapalli. I can illustrate by an incident or story.

Mr. C. D. M. Hindley: I think the Honourable Member is out of order in referring to matters of this kind. He is primarily dealing with accidents.

Mr. C. Duraiswami Aiyangar: I was given to understand, Sir, from the Chair that I need not move about these separately and that I could bring in all these things under Mr. Raju's amendment. That was the understanding.

Mr. President: It would have been more convenient if Mr. Raju had made his motion, but unfortunately he did not do so. But I am prepared to allow this to cover the whole field of inspection; but whether inspection has anything to do with the grievances of third class passengers or not I do not know.

Pandit Shamlal Nehru: May I inquire if a non-member is entitled to raise a point of order?

Mr. President: To whom is the Honourable Member referring?

Pandit Shamlal Nehru: I am sorry, Sir, I am just informed that he is a Member.

Mr. C. Duraiswami Aiyangar: Sir, I thought the Honourable Mr. Hindley himself said that it was one of the duties of Inspectors to look after the convenience of third class passengers.

Mr. President: Whether it is one of the duties of Inspectors to do so or not, is a matter which will come up in another form. I think the Honourable Member better confine himself to the work of the Inspectors proper, with particular reference to accidents.

Mr. C. Duraiswami Aiyangar: I have only a word of explanation to make and I will not say anything more. Before you, Sir, wanted the House to permit the withdrawal of the motion made by Mr. Venkatapatiraju I wanted to rise and say I would move the amendment of a reduction of Rs. 100 instead of Rs. 20,000 myself, but as it was suddenly withdrawn I could not help it. I have nothing more to say.

Mr. President: The motion before the House is:

* "That the Demand under the head 'Inspection' be reduced by Rs. 100."

Mr. E. F. Sykes (Bombay: European): Sir, I understand that by the alteration in the form of the first amendment all the amendments for the reduction of Rs. 100 come under discussion at the same time. There is one small matter I would like to deal with in regard to these associated motions, one of which stands in my name. They are motions of censure. When the House accepted the proposal of Sir Campbell Rhodes that we should attach to the motions we proposed to move some indication of the line we proposed to take, I put down an indication that the motion was made for the purpose of eliciting information from the Government, and not for expressing censure on them. If the occasion arose, like any other Member, I should be prepared to move a vote of censure on the Government. In this particular case it is impossible to move a vote of censure because there is no information on which to do it, and my whole purpose was to elicit from the Government a statement of their policy in this important matter. I hope I have made it quite clear that I am not associated with these other motions of censure. I am purely asking for information, and I think perhaps it would be convenient if it were indicated on the paper whether that was the case.

Mr. President: The Honourable Member has not quite understood. A motion for reduction when moved is not a vote of censure until it is supported by a vote in the lobby.

Mr. C. D. M. Hindley: Perhaps I have misled the Honourable Member owing to something I said just now. What I said was that if this motion is carried, I should feel it was a vote of censure, and that I think is a correct interpretation.

Mr. E. F. Sykes: Well, Sir, to come to the motion that stands in my name. We have all heard of the accident which occurred at Harappa owing to two trains, each in possession of written permission to do so entering on a single section. There have been for many years instruments whose purpose it is to prevent by mechanical means such a thing happening, to give this permission by means of a token, of which only one could be obtained under normal conditions out of the instruments at the same time. Well, Sir, these mechanical contrivances do not always come up to expectations and some of us know some of their early history. But invention in these matters moves rather rapidly, and unless one is actually concerned with the use of such instruments one is not likely to be very well informed about them. Now it appears that no instruments of this kind were used on the section in question, though I am not certain about it, I believe that is the case. The sort of information I think the House would like to hear from Government is whether they think there are in existence instruments suitable for the purpose, whether and to what extent they are in use at the present time in the country, and whether there are any special reasons why, if that is the case, they could not be used in the section on which this accident occurred. I think that is all I have to say on the matter. I now move the motion that stands in my name:

“That the Demand under the head ‘Inspection’ be reduced by Rs. 100.”

Mr. C. D. M. Hindley: Sir, I will deal first with the point raised by Mr. Sykes. The regrettable accident at Harappa was, as Mr. Sykes has stated, due to two trains entering the same section in opposite directions. It was inquired into immediately by the Sanis Government Inspector and his report has been received by us. As Honourable Members will know,

this accident has formed the subject of a case in court which has only just been concluded. It has therefore been *sub judice*, and we have thought it fit not to publish this report until the case was settled in court. I am not quite certain whether the station master who has been convicted is making an appeal. We shall perhaps have to consider whether the matter is still *sub judice*; but I can proceed at once to the general question of working conditions on this particular section. This single line section was being worked at the time of the accident under what is known as the Morse line-clear system. Now Mr. Sykes is perfectly correct in suggesting that there are instruments which can be used to supersede this method of working and make it possible to adopt a mechanical device so that a token or tablet can be given to the train entering the section and no other token or tablet for authority to proceed can be issued at the same time to that section. That system is in force over a very large mileage of Indian railways. It became necessary to introduce it primarily in order to quicken up work on busy sections because the telegraphing and the writing down of line-clear messages under the strict rules which are always enforced under such conditions became a very laborious and lengthy process in the case of dense traffic. That was the primary reason why these instruments were introduced. They have been extended and they are being extended as far as we can over all the busy single-line sections. The replacement of these written line-clears by token instruments was commenced on the North Western Railway some years ago and they installed over a portion of the system a certain type of token instrument. This particular type proved defective in actual practice and its use had to be discontinued, and as a result on many of the sections the North Western Railway administration have reverted to the original procedure of written line-clears.

There is some room for argument as to the desirability of extending such mechanical appliances indefinitely; that is to say, you can devise and you can go on devising mechanical appliances which will almost entirely eliminate the human element in dealing with train working. It would not be impossible to so tie up your traffic with mechanical devices that the human element was reduced to practically nothing more than pressing a button. Now it is very interesting to remember that in actual history, as we have improved mechanical devices of this kind not only in regard to train working but in regard to interlocking and so on, as we have steadily improved them, there has been to some extent a falling off in the sense of responsibility of the man who has to use these things. It is a very interesting psychological point and it has other much larger implications, but it is a fact that if you give a man more and more mechanical contrivances to do his work, he tends to become less careful of his real responsibilities, and therefore I say quite clearly that there is room for argument as to how far it is advantageous to extend such mechanical appliances to the working of trains except over very busy sections. Therefore it was perfectly consistent with the rules for safe working for the North Western Railway to maintain over this section the written line-clear system. I may say that the written line-clear system has no inherent disadvantages, if the man who is responsible for it is alive to his duties and understands his responsibilities. He has perfectly clearly before him what he has to do when he is giving a message or receiving a message and when he is giving orders to a train to proceed; the rules are absolutely rigid, and the man should not, if he has a sense of responsibility, go wrong. I fully admit the advantage of reducing the possibility of human error in these matters to the lowest possible limit, but I say we have to be careful not to make the matter

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so easy to the man who has to operate the system that he becomes careless. There is a case in point to which I will refer, if I am not wearying the House, which I remember perfectly well when we introduced a certain system of interlocking. We formerly had a system by which when a train was entering a station, a key was sent out in the hand of the pointsman to the points—a key of a particular pattern which he had to use on the points for an incoming train and then he had to bring back to the station master a token which he was able to extract from the points in order to show the station master that he had done his work. The station master then gave orders for the signals to be lowered and the train came in. We abolished that system on one portion of the line by bringing the whole of these operations into a lever frame in front of the station master's office so that the station master did not need to go out and see whether the pointsman did his work and he did not need to see that he had the right token in his hands before he lowered the signals because they were so interlocked that without that particular piece of metal the signals could not be lowered. Now what was the result of that? The result was that the station master sat in his office, he never went out of the platform, and discipline was definitely lowered in the matter of train working. That, Sir, is just an instance of how you may reduce the sense of responsibility in a man by giving him excessive mechanical appliances to work with.

On the North Western Railway orders have been issued to instal an approved type of token instrument as fast as circumstances will permit on the single-line sections, and in so far as we can secure safety by that means, it will be secured. I think that possibly gives Mr. Sykes and other Honourable Members all the information that was desired.

Now, Sir, I would just refer briefly to Mr. Duraiswami Aiyangar's speech. He has compared the cost of our inspection with the cost of inspection performed by Government in Great Britain. I know nothing about those figures because I have not got them with me, but I would submit that such a comparison is entirely erroneous. The Honourable gentleman has himself said that he knew nothing about England or English conditions. How therefore can he ask this House to say that we are spending too much or too little as compared with the amount spent on inspection of railways in England? (Mr. C. Duraiswami Aiyangar: "I have compared the mileages"). I do not think the Honourable Member could reduce the problem to a question of mileage, to a figure per mile. If he did so, I would inquire from him, knowing nothing about English conditions, how he could say that the amount of inspection required per mile was the same in England as it is out here. I am not prepared to admit that the two figures bear any relation to one another whatever. Now, Sir, Mr. Duraiswami Aiyangar said that he heard of these Inspectors for the first time through the Budget. Well, I am very glad to feel that our Budget has given the Honourable Member this welcome information. It is quite obvious that he has never read the Indian Railways Act nor any of our Administration Reports, and he comes here as a critic of our administration!

Pandit Sham Lal Nehru: I just want a little information, Sir. The Honourable Member will remember that in Simla I referred to the subject of appliances.

Mr. C. D. M. Hindley: May I proceed, Sir, with my speech. Mr. Duraiswami Aiyangar says that he has never heard of or seen a Govern-

ment Inspector. Now I think it is rather satisfactory that the Government Inspector does his work in a quiet and businesslike way. He does not come and call on Mr. Duraiswami Aiyangar when he goes round the railways in South India. He does not advertise the fact that he is there; he does not go about displaying flags: he goes about his work quietly. And what is the result of his work? The result of his work is that Mr. Duraiswami Aiyangar and other Members of this House and other members of the public can travel safely. They do not admit that they travel comfortably: they will admit that they travel safely. I do not suppose that there are any Honourable Members of this House who have actually been injured while travelling on a railway. But I do not minimise for a moment the importance of keeping a close watch on the number of accidents which occur, and I do not further consider that the figures which we have published in our last report do show anything very serious in this matter. We deeply deplore any cases where passengers or others are injured or lose their lives. We cannot but feel sympathy with them and their relatives; but we do not show high figures in the matter of accidents in India. Our figures compare very favourably with those of any country in the world. If Honourable Members of this House are anxious with regard to the increases which have occurred in our figures as published in the report during the last two years, I would ask them to compare them again with the figures of the previous year and some further years prior to that. If they are still anxious, I would like to inform them that the risk of any passenger being killed in an accident to a train or the rolling-stock or the permanent way is less than one in 19 millions of people carried. The risk of people being injured is less than one in 3 millions; and this figure is exactly the same as the risk on English railways for last year, one in 3 millions.

Mr. C. Duraiswami Aiyangar: Can we compare in this respect? Is comparison between India and England in this respect justifiable?

Mr. C. D. M. Hindley: I was following the Honourable Member's somewhat questionable procedure. With regard to the risk, total risk of passengers being killed and injured through movement of vehicles on railways, the risk is in India 1 in 1-3/5th millions. Those are just broad figures. I do not wish to stress them very much, because we are fully alive to the necessity of keeping a watch on this question of accidents and reducing them as far as possible.

As regards the complaint which Mr. Duraiswami Aiyangar has voiced about the inconvenience to passengers travelling particularly by first and second class who do not like to sleep in the open, I would suggest to him and to other friends of his who have similar complaints to make those complaints to the Agents of the Railways and to get them voiced in the Local Advisory Committees which have been established on the Madras and Southern Mahratta Railway and on the South Indian Railway. He will tell me, "I do not know anything about these Committees and I do not know who they are and I do not know where to find them." Well, Sir, we have published a great deal of information about these Committees. I have no doubt that the Honourable Member has not read that, perhaps he will do so.

Mr. C. Duraiswami Aiyangar: May I make a personal explanation, Sir? I never meant that I was not aware of these institutions. I only meant to say that I never saw the Railway Inspector getting out of his saloon, and therefore I did not see him.

Mr. C. D. M. Hindley: If the Honourable Member particularly desires to see that inspiring spectacle of the Government Inspector getting out of his saloon, I think we might perhaps be able to arrange it for him when he gets back home. I do not think the Government Inspector would really have any objection to being seen by the Honourable Member. He is neither *purdah* nor do I think he has any caste prejudices. That, I think, Sir, is somewhat beside the point, because the people who are primarily responsible for the inconveniences of the travelling public are the railway administration. They are the people to whom the Honourable Member should go and he should get these complaints attended to. Let him not go through any of the one-man associations, where a single man calls himself the Secretary of a passengers association or society or something of that kind. Let him get into touch with one of his friends on the Advisory Committee of the Madras and Southern Mahratta Railway or of the South Indian Railway and ask him to put these matters to the Agent and tell him that in travelling from such and such place to such and such place he has to wait on the platform or he cannot have a comfortable carriage or that the carriage is unfortunately infected with non-paying passengers, which I am afraid is the case very much in South India. Now, Sir, these Advisory Committees do look into matters of this sort, because one of the members the other day told me that he and the other members of the Committee with the Agent had been run to see various works which the Railway was constructing and that the Committee itself was taking a very live and intelligent and valuable interest in the working of the Railway.

I would ask the Honourable Member not to lay these inconveniences at the door of the Government Inspector, for I assure him that he has his hands absolutely full with matters of public safety and he has only to be brought in cases of public convenience when a railway administration may be considered to be recalcitrant or when matters require special investigation.

I have omitted to mention one matter in connection with the Harappa accident which I rather expected Mr. Sykes to raise, which he did not raise, and it may be of interest to Honourable Members of this House. The Senior Government Inspector who inquired into this accident mentioned that remarks had been made with regard to the non-provision of electric head-lights on the two locomotives of these trains. It was felt a good deal by the public—and I think I have seen a great deal in the newspapers—that electric head-lights on the locomotives might perhaps have prevented or minimised the consequences of this serious accident. Well, Sir, there is no means of knowing definitely whether the provision of head-lights on the locomotives would have actually prevented or averted that accident. We do feel that there is a possibility that with head-lights there might have been some chance of saving such a terrible disaster. The matter is not quite so clear as would be thought at first, because there is the danger of locomotive head-lights getting mixed up with signals, and therefore causing difficulty to the drivers approaching a station. However, as many Honourable Members know, this matter has been under experiment for some time on various railways, and particularly on the railways which have a long stretch of single line, and we have now issued orders to all State railways that electric head-lights should be installed on the locomotives of mail trains and express and fast passenger trains, and we have given them a time-limit within which those head-lights

are to be installed. We have also brought the matter to the notice of the Company-managed Railways and we have asked them to take up a similar programme. We are not prepared at the moment to say that this is a necessary installation from the point of view of safety, because we think we should have some further experience with the difficulties which are undoubtedly attendant upon its general use: but we are about to instal it on all the mail trains and fast trains on the State railways. I think, Sir, I have dealt with all the points that have been raised on this amendment.

Mr. C. Duraiswami Aiyangar: Sir, I beg leave to withdraw my motion. I would have done it with still greater pleasure if the Honourable Mr. Hindley had assured me of some consideration for through trains and shuttle trains, about which I complained. However, Sir, I withdraw my motion.

Sir P. S. Sivaswami Aiyer (Madras: Nominated Non-official): Sir, I wish to make one suggestion to the Chief Commissioner. I have seen some of these reports of Railway Inspectors and I believe they do refer to matters like the overcrowding of trains and other things of that sort. Would it not be possible for the Inspectors of Railways to publish their tour programme beforehand and make themselves accessible to any members of the public who wish to make representations to them in regard to matters which may require inspection and which may deserve their attention.

Mr. C. D. M. Hindley: I will certainly consider that suggestion, Sir.

The motion was, by leave of the Assembly, withdrawn.

POLICY OF GOVERNMENT IN REGARD TO LEVEL CROSSINGS.

Sir Campbell Rhodes (Bengal: European): Sir, a small matter which I wish to raise under this heading is a matter of general policy but I should like in dealing with it to refer to one particular matter because it seems to illustrate in a marked way most of the points that I wish to bring out and it is also well known to the Chief Commissioner and myself. I mean what is known as the Jodhpur crossing on the Guria Hat road. I should like just to describe the situation to the Members of the House. This is a level crossing in the suburbs of Calcutta and the traffic on this road has grown very largely of recent years especially since the introduction of the motor car. The railway line carries all the produce from the north of India to the Kidderpore docks and all the coal to these wicked British tramps that we were discussing yesterday. On the south there is a very sharp double S turn and on the north the development of the property for building purposes is creeping close up to the line. There was a few years ago a very distressing accident at this crossing in which I believe 4 Indians were killed. The Railway Department have recently quadrupled the line. In this connection I am too much of a layman to know whether the cost of a bridge there would fall on the railway or on the local authority. But, in order to protect the lives of passengers, the Railway Board have to put up at a considerable expense, I presume, two gates and a signal box which, again, may or may not, I have no knowledge, be useful as a block signal cabin. The point I wish to make is this that, I think, the railway companies might exercise a little foresight in these matters; and where they see, especially in the large towns, development taking place, they ought to put up a bridge instead of incurring

[Sir Campbell Rhodes.]

the expense on the gates and signal box and straiten out dangerous curves like the one named, before there is such development of the local area as will make a bridge very costly or possibly impossible. I know of many cases in England where level crossings have remained too long and as a consequence they have had to remain permanently as it is impossible to construct the ramps necessary for a bridge. There is only one other point in this connection I wish to raise and that is that a railway line intersected by level crossings forming a circle round a town does greatly cramp the development of the city. I have raised this point, therefore, so that the extension of development and particularly of tram which is so desirable may not be prevented.

Mr. President: The question is:

"That the Demand under the head 'Inspection' be reduced by Re. 1."

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammader Urban): Sir, we have a similar complaint in Madras. Within the short distance of a mile and a half or two on the South Indian Railway we have, I believe, about 10 to 12 level crossings, crossings on the main roads connecting North Madras with South Madras. During the busy hours of the day, both morning and evening, the congestion of traffic is so great that for nearly half an hour at a time the traffic is held up and often times all these level crossings are closed some time before the train arrives and cannot be opened till some time elapses after the train has passed. It has been a great nuisance and the Corporation of Madras has been agitating over it. But it was a mistake to have allowed the railway to run through the city without the necessary provision being made previously and the South Indian Railway Company have been grossly neglecting their duties in that connection. The same is the case with the Madras and Southern Mahratta Railway also; on the other side there are numerous level crossings which can be safely avoided by either underground ways or overhead bridges. These things have to be provided for, and I hope the Railway Board will take early notice of these difficulties.

Sir Gordon Fraser (Madras: European): With reference to the remarks made by my Honourable friend Mr. Rangachariar, is it not a fact that in Madras there was considerable agitation over one overhead bridge which has since been built, and the result is that there is now an agitation on the part of the population of Madras that the level crossing gates should be reopened, as the people are very averse to climbing the bridge on the one side and going down on the other. They much prefer the old level crossing with all its disadvantages.

Mr. H. G. Cocke (Bombay: European): Sir, I do not like to be outdone by my Calcutta and Madras friends. We can also compete in the matter of level crossings. We have a very famous one at Dadar which crosses both lines running into Bombay and which very often takes one half an hour to cross, so much so that one prefers to go round some miles at the expense of considerable petrol. I am pleased to say that either the railway administration or the local authorities are responsible for having built a bridge which, I hope, will be opened very shortly. But there are other level crossings outside Bombay which are a great evil and if the railway

administration can do anything to expedite the building of bridges, I am sure the Bombay public will be very grateful as they will be able to save considerable sums of money in petrol and tyre charges by not going long distances, which they have now to do, in order to avoid the level crossings.

Khan Bahadur W. M. Hussanally (Sind: Muhammadan Rural): This question of level crossings, Sir, is, I might almost say, a general grievance all over India, so that neither Diwan Bahadur Rangachariar nor Mr. Cocke nor Sir Campbell Rhodes has any right to appropriate this grievance to himself. I know, for instance, that Karachi had to fight with the Railway Board for the last 30 years in connection with an overbridge there, and the bridge has just now commenced and is now in the course of being made. There is another level crossing at Karachi also near the cantonment station which is a source of very great nuisance. Similarly, at Hyderabad and nearly all over the North Western Railway in the Sind section this inconvenience is keenly felt. But the difficulty with the construction of these bridges is that the Railway Board demand a contribution from the local authorities. The municipalities, being small bodies, cannot afford the very heavy amount which the Railway Department want to spend upon bridges of this kind. If that contribution were taken off, I think the advancement in the case of these bridges would be made much quicker and much sooner than hitherto. I hope the Chief Commissioner will take note of this and go on providing for a certain number of overhead bridges every year so as to afford convenience to the people.

Colonel Sir Henry Stanyon (United Provinces: European): Sir, there is one feature in connection with level crossings which has not yet been mentioned. I refer to a level crossing between two large towns in the United Provinces. I do not wish to specify more clearly where that level crossing is situated, but I myself was held up there once for 40 minutes with an enormous collection of country carts. On making inquiries as to what was the cause of delay, I ascertained—I give it for what it was worth, I do not know whether it was true or false—that the carts were detained until the gateman had received his fees for passing them through. (Mr. K. Ahmed: "What happens in Raisina here?").

Mr. C. D. M. Hindley: Sir, almost every large town in India has voiced this complaint with regard to level crossings. Now, I will admit that in many cases considerable inconvenience is caused to road passengers in crossing over railways. Sir Campbell Rhodes drew my special attention to a particular crossing which he said I knew of very well. I do know it very well because both he and I very frequently motored out over that level crossing on a Sunday morning to our club in the suburbs of Calcutta. I think that I have myself been held up in my motor for 5 minutes sometimes. It is a very serious matter I think because Sir Campbell Rhodes was probably going to play golf. I was not going for that purpose because I am unfortunate in not being able to play golf. But it is of course a very serious matter when an Honourable Member of this House is held up for 5 minutes on a Sunday morning when he wishes to get out to play golf. Possibly, Sir, of all the cases of inconvenience at level crossings in India, Sir Campbell Rhodes has chosen the very worse instance I can think of. I have seen cases where whole strings of carts, foot passengers, hand-carts and others have been held up, and I admit the inconvenience. This particular case of the Jodhpur level crossing does affect some of the inhabitants of Calcutta, but it is not, I submit,

[Mr. C. D. M. Hindley.]

a serious public inconvenience. I am quite prepared to admit that many other cases are. Now you will ask me why we permit these public inconveniences to continue, why when this House is good enough to sanction capital expenditure and revenue expenditure for railway improvements, do we permit such conditions to continue and the public to be put to these inconveniences? It no doubt seems to Honourable Members here, when we are spending for them large sums of money to improve our railways, that we might easily throw 10 lakhs here, 15 lakhs there, 20 lakhs somewhere else, to remove these public inconveniences of road passengers. Now to go back in history a little, these level crossings and the problems connected with them are not entirely matters for which we are responsible. The statutory obligation which is laid upon railways by the Railway Act extends to providing, at the time of construction, such accommodation works as the Local Government requires them to provide. This is not a matter where there is any difference between the railway company, or railways constructed and maintained by the State. All railways alike come under this provision. The obligation is to provide, at the expense of the railway construction, such public accommodation works across the railway as are considered, in agreement with the Local Government, to be necessary at the time of construction. And I think I am perfectly safe in saying that Local Governments' requirements in matters of this sort have always been acted upon, unless perhaps an agreement has been arrived at with them later. I should say first, that within 10 years of the opening of the line, the Local Government can ask the Government of India to insist upon further accommodation works being provided. After 10 years such works can only be provided if the Government of India enforce the expenditure on the railway. It becomes therefore a question for negotiation and agreement with the Local Government when any additional work or an extension to a work or accommodation is required; and here the Local Government itself has a very definite responsibility, and not only the Local Government, but local bodies and corporations. The Honourable Khan Bahadur Hussanally has said that one of the difficulties is that the Railway Board demand from local bodies contributions towards these works, where level crossings are to be replaced by overbridges. It is perfectly in order for the Railway Board or the Government of India to require that local authorities and local Governments should bear their fair share of the cost of putting up an overbridge in place of a level crossing. In most of these cases the necessity for converting the level crossing into an overbridge arises primarily from the fact that road traffic has increased since the time the railway was first constructed. The railway was perhaps constructed at a time when the road was nothing more than a narrow lane, and road traffic has increased to such an extent that a level crossing becomes a public inconvenience and should be replaced by an overbridge. But it is not the responsibility of the railway that road traffic has increased, and therefore it is not fair that the Railway Board should bear the whole cost of providing an overbridge. It may be said that cases arise where the necessity for an overbridge comes from the increased traffic on the railway itself. I admit that there are such cases, and in such cases the railways will bear their fair share, their larger share of the cost of the overbridge. We have had during the last two or three years many cases in which there have been long delays, negotiations and disputes with Local Governments and corporations and other local bodies regarding the incidence of cost of the

new works required, and this is the primary cause of the particular complaint which the Honourable the Deputy President has raised in connection with the level crossing in and around Madras. I took this matter up myself when I was last in Madras and I endeavoured, to the best of my ability, to get a move on and get some of these difficulties settled. We got to the point of establishing fairly clearly what the respective share of the different bodies concerned should be in the case of these overbridges. Although, as the Honourable the Deputy President said, the Corporation have been agitating for this for years, they have not yet found themselves in a position to contribute the necessary share to the cost of those bridges, and until they do so, I myself cannot for the moment see any clear way out of the difficulty. We shall take the matter up again. In fact we have it under correspondence with the Madras Government at the present time, and I certainly hope we shall be able to come to some kind of decision, because I agree fully that the present situation is unsatisfactory.

Diwan Bahadur T. Rangachariar: What is the proportion, may I know, that the Corporation has to bear?

Mr. C. D. M. Hindley: I am afraid I am not able to give the Honourable Member the figures he asks me for. As regards the other complaints, I think what I have said in a general way applies to most of them. I do not know the exact locality of the level crossing referred to by Sir Henry Stanyon, but that may possibly be another case in which there is a difficulty in coming to an agreement with the Local Government. As regards Karachi Mr. Hussanally has said that his grievance about the level crossing has already been removed by the building of a bridge. It did not seem therefore quite necessary for him to intervene although I was very interested to notice he said that he thought there were some other cases in the locality of Karachi. Now, Sir, on this question of level crossing generally, I think we should remember that it is not always in all civilized countries considered a necessity to lift the whole of your road traffic up over the railway and put it down on the other side. We have already been told that some of the inhabitants of Madras, where a bridge had already been constructed, had raised a considerable agitation against the fact that they were not allowed still to continue using the level crossing. There was another exactly similar case in another Presidency, and there, I am sorry to say, I think the Local Government were inclined to take the same view as the local inhabitants. In the United States of America where the mileage of railways is nearly ten times the mileage of railways in this country I believe there are practically no cases of overbridges of the same kind as we have here. It is a customary thing in that busy country to see trains crossing highways at high speeds and to meet them in the suburbs of cities going along the sides of the roads. People get accustomed to those things in the United States of America and it is perhaps possibly unfortunate that we in this country do not get accustomed to them but insist on having overbridges. That is just to illustrate the point that these are not always in all countries considered necessary that grade crossings as they are called or level crossings are a common feature of everyday life in such countries as the United States of America.

I hope I have disposed of the points which the Honourable Members who have spoken on this matter have raised.

Mr. H. G. Cocke: Will the Honourable Member kindly tell us in a case such as Bombay where owing to the electrification of railways it is necessary to put up a lot of overbridges, what the position of the railway companies as compared with the local bodies is in the matter of cost?

Mr. O. D. M. Hindley: In the case of Bombay we came to a special agreement with the Local Government in regard to cost. In all such cases it is ultimately necessary to come to some agreement, some arbitrary figure, in adjusting the incidence of cost. We have at times attempted to lay down rules clearly to divide the incidence but it is not possible to devise rules which will cover every case. It might be interesting to mention that we have arranged a definite procedure in this matter—that where there is a dispute between the local body and ourselves as to the real causes for the necessity of building an overbridge, that is to say, whether it was due to the railway traffic increasing or to the road traffic increasing, we have arranged that any such case which arises and forms the subject of dispute shall be specially investigated by one of our Senior Government Inspectors who is to report to us before the Governor General in Council decides what the incidence of cost shall be.

Sir Campbell Rhodes: Sir, I beg the permission of the House to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

“That a sum not exceeding Rs. 1,14,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘Inspection.’”

The motion was adopted.

The Assembly then adjourned for Lunch till Fifteen Minutes Past Two of the Clock.

The Assembly reassembled after Lunch at Fifteen Minutes Past Two of the Clock, Mr. President in the Chair.

DEMAND NO. 3.—AUDIT.

Mr. President: The question is:

“That a sum not exceeding Rs. 6,16,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘Audit.’”

SEPARATION OF AUDIT FROM ACCOUNTS.

Mr. K. O. Neogy (Decca Division: Non-Muhammadian Rural): Sir, I beg to move that the Demand under the head “Audit” be reduced by Rs. 100.

My intention in this motion is to discuss the question of the separation of audit from accounts. As the House is aware, there is a three-fold control over administrative expenditure in the Government of India, first, by the Finance Department which deals with sanctions of the various projects that come up before the Railway Department; second, the control of the Audit Department, and, third, the control exercised by this

House particularly through its Public Accounts Committee. So far as the financial control is concerned, it has been a matter of standing complaint with the Railway Department that this control was exercised in such a detailed manner that it was hampering the railway administration. So far as that is concerned, since the appointment of the Financial Commissioner for the Railway Department, the control which was so long exercised by the Finance Department from outside has been substituted by control exercised from within the Railway Department itself. And now, as my Honourable friend divides his allegiance between Sir Basil Blackett and Sir Charles Innes, it is up to Sir Charles Innes to placate him; and if he succeeds in that there need be no ruffle in the domestic peace of the Railway Department.

Now, coming to audit we find that the Auditor-General has got certain statutory functions with regard to the audit of the Government of India accounts generally. It is an accident no doubt that he not merely audits the accounts but is in charge of the compilation of accounts as well. That is to say, his officers carry on the compilation from day to day, and the audit is carried on hand in hand with the compilation of accounts. Now, Sir, the Auditor-General is independent of the Government of India under the present Government of India Act. He is responsible to the Secretary of State and in certain of his functions he is expected to assist this House as well. I find on reference to the statutory rules governing the relations of the Auditor-General in India with the Government of India and the Secretary of State that in certain matters, when he finds certain irregularities in the accounts, it is his duty to report to the Public Accounts Committee of this House. In this sense, Sir, if the authority of the Auditor-General is weakened in any way, it may mean the weakening of the authority of this House through the Public Accounts Committee over the spending departments of the Government of India. I know there is a good deal of difference of opinion as to whether the combination of accounts and audit makes for efficiency of work. I further am aware that Sir Basil Blackett is very much enamoured of separation. I am also aware that there are other authorities who ought to know who favour the continuance of the present system. And there is a Committee just now sitting under the chairmanship of Mr. Jukes to consider the question of the separation of accounts from audit in regard to all the various departments of the Government of India. Apart from that comprehensive question, which is being inquired into by that Committee, the Railway Department, I understand, is seriously considering the question of the separation of audit from accounts. It is no doubt true that the Acworth Committee made a unanimous recommendation to the effect that, so far as the Railway Department is concerned, its accounts should be separated from audit. It seems to me that the Acworth Committee intended to place the Agents of the various State Railways very much in the same position as the Agents in the Company Railways in regard to audit. That is to say, the Audit Department, instead of being independent of the administrative department and of the Agent, would be a Department subordinate to the Agent, and that, in addition to such domestic audit, the Auditor-General, in order to fulfil his statutory responsibilities, is expected to carry on what is known as test audit, which, as the term itself shows, cannot be such a comprehensive or of such a satisfactory character as the present system is considered to be. Sir, I know that, although the Honourable the Finance Member and some of the prominent members of his Department favour the separation of accounts and audit generally, there is a section in his

[Mr. K. C. Neogy.]

Department which is opposed to the proposed separation. If I am wrong I hope the Honourable the Finance Member will correct me. But, Sir, this is indeed a very serious matter. As I have already stated, the position of the Auditor-General should not be allowed to be affected in any manner by this House, because upon the authority of the Auditor-General in regard to railway expenditure, depends to a certain extent at least the authority of this House in regard thereto. Sir, I should very much like to know whether Sir Frederick Gauntlett, the present Auditor-General, has been consulted in regard to this scheme and, if so, what his opinion is.

Sir, I have another question to ask the Honourable Member in charge, and that is whether it is in the contemplation of Government to treat the Railway Department as what is known as an "excluded audit department," as defined in the rules relating to the Auditor-General. I may mention that the Army Department is treated as an excluded audit department, in the sense that the Auditor-General does not discharge the same functions with reference to the Army Department, as he does with reference to the other departments. If there is any such contemplation, I think this House should be taken into the confidence of Government before any definite action is taken. I happen to be a member of the Railway Finance Committee but that question has not been brought up before us. I am sure it is not the intention of the Honourable Member in charge to take any definite action in the work of separating audit from accounts without consulting the Railway Advisory Council, the Railway Finance Committee and also this House.

Sir, I move the motion.

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Division: Non-Muhammadan Rural): Sir, I have very great pleasure in supporting this motion. It is a matter of common knowledge that the Audit and the Accounts Department are so dove-tailed that you cannot separate the one from the other unless of course you are prepared for more expense. As for instance, Sir, if the Audit Department is to be separated from the Accounts Department under the Railways, if it is to come under the Railway Board, the Audit and Accounts Department will bodily come under the Railway Board. But under the Reform Act the power of the Accountant General has got to be maintained. Therefore, Sir, there will be a superimposition of another Audit Department. This will involve extra expense. This will involve extra staff. This will involve a new machinery. This means more of the tax-payer's money. Then, Sir, this new Department will not be so efficient because the separation will lead to lack of efficiency. Besides involving extra expense, the superimposed Department will be a kind of organised farce set up to satisfy what may be termed the quintessence of technicality. Sir, I look forward to the day when the Audit Department will be independent of the Executive (*The Honourable Sir Basil Blackett*: "Hear, hear"), for that is a department which ought to be independent, and when it will be responsible to this House. (*An Honourable Member*: "Hear, hear.") Sir, the Honourable the Finance Member seemed to approve of my suggestion that it should be independent of the Executive. I know, Sir, he is anxious to model many a Department on the English lines and I believe, Sir, he wants that every Department should have its Accounts Department also. I do not want to go further into this matter, because I

am an outsider. (Voices: "No".) I am an outsider in the sense that I am not a technical expert. However, I want to know whether it is a fact—I hope the Honourable Member opposite will answer this question—that the separation of audit and accounts has been ordered from the 1st of March, and if so, why has it not been shown here? In respect of one railway at least I understand, Sir, that the separation is contemplated from the 1st of March and the approximate expenses, I understand, will come to something like 4 to 6 lakhs. If that is so in the case of one railway, what must it be in the case of 13 railways? I want the Honourable Members opposite to answer this question, if they are prepared for so much extra expenditure, if they are prepared to impose such a burden on the tax-payer without consulting the tax-payers' representatives. Sir, this extra item of expenditure is not shown in the Budget. I want to know why it is not shown in the Budget, and why it is not shown under Audit, because it concerns it. Then, Sir, I want to put another fact before the Honourable Member opposite and I want an answer. Where a Company-managed railway could get on with one superimposed auditor, I understand that you are going to have 6 auditors for superimposed audit. Why this extra expenditure under State-management when in the Company-managed railway you could get on with one auditor? I understand that you are contemplating 6 auditors. If this is true—and I do not know whether you do not contemplate it; I believe you contemplate it—I want to know why you force this pure and simple extravagance on the tax-payer, why you are wasting the tax-payer's money. I am told that this experiment is for the time being to be concentrated on one railway. Even if you make an experiment of this kind for one railway, you must have the sanction of this House. There is no use saying that you will have the sanction of some Standing Committee because it is a matter which concerns the power of this House. Sir, I do not want to make a stronger speech than this, but I hope the Members opposite will realise the significance of the issues that are raised.

Mr. N. M. Joshi: Sir, I wish to emphasise the necessity of a thorough audit by the Auditor-General of all the Departments of the Government of India. Unfortunately, there are already some Departments like the Military Department in which the Government of India restrict the activity of the Auditor-General only to a test audit, and it is a dangerous sign of the times that the Government of India propose to restrict the activity of the Auditor-General to a test audit of the Railway Department also. In the case of the Company-managed railways the Auditor-General contents himself only with making a test audit of their accounts. The auditor of the Company-managed railways is, against all sound principles of auditing, under the control of the Agent. I hope that the Government of India will take steps to remove this anomaly from their auditing activities. If the auditor of the Company-managed railways is under the control of the Agent, to that extent the audit will not be an independent one and the Government should not be satisfied with merely having a test audit by the Auditor-General. They should insist that the Auditor-General should make a thorough audit of the Company-managed railways. I hope that Government will take every step to see that the Auditor-General makes a thorough audit of the accounts of the Railway Department and not restrict his activities only to a test audit.

Mr. G. G. Sim (Financial Commissioner, Railways): Sir, I am not quite certain from my Honourable friend Mr.

[Mr. G. G. Sim.]

Neogy's speech whether he wishes me to say that I am in favour of the Acworth Committee's recommendations on this point or not and whether a reply in the affirmative or in the negative would induce him to withdraw his motion. It was explained in the budget memorandum of last year, in the account relating to the reorganisation of the Railway Board, that this recommendation of the Acworth Committee was under the consideration of the Government on the suggestions put up by the Chief Commissioner. I think the House ought to bear in mind what exactly the recommendations of the Acworth Committee were. The Acworth Committee said:

"But the accounting staff controlling the Indian railways, from the Accountant-General (Railways) at Delhi down, in the case of the State-managed railways, to the latest joined clerk in a local office, are officials, not of the Railway Board, but of the Finance Department. No doubt these officials gradually get to see the railway point of view, but they must be guided by rules laid down by the Finance Department, framed largely in view of the requirements of the non-commercial departments of Government.

At present the railway accounts are very complicated; some portions are produced in different forms for the use respectively of the Railway and of the Finance Department."

Then they went on to explain the great difficulty they found themselves in getting any definite information from a commercial point of view and in reconciling different statements in the different compilations of the Government of India. They said:

"... if the whole matter were under the control of a single department, simplifications could be introduced which would not only make the accounts more intelligible, but result in considerable saving of expenditure. The Report of the Auditor-General would continue available as at present to secure the financial rectitude of the Railway Administration."

The definite form their recommendation took was this:

"We recommend that the Railway Department should be responsible for its own accounts. We do not exclude, of course, such independent and separate audit as the Government of India may think proper to make, on the same principle that obtains in any commercial company, where the shareholders appoint an outside firm of accountants to check and report on the books which are kept by the servants of the directors, the ordinary accounting staff."

Now, these proposals have been under the consideration of the Government since last year. They have been referred to the Auditor-General and discussed with him at considerable length. The opinion of the Government is, as at present advised, that the recommendations of the Acworth Committee should broadly speaking be accepted. The Acworth Committee did not propose in any way to do away with the powers of the Auditor-General, but the whole difficulty of the present system of administration is that you have got a staff responsible for preparing and maintaining the accounts of the different railways which are in no way subordinate to the officers responsible to this House for the financial working of the railways. Audit is a different matter. The first proposal made was that accounts should be entirely separated from audit. It is not quite clear from the Acworth Committee's report whether that is what they meant or not, but we find that it is impossible to entirely separate off the work of audit from the work of accounts. This is particularly so in connection with receipts. The work of classifying the receipts and seeing whether the proper fares or freights have been collected is work that can most economically be done at the same time as the audit by one staff. The amount of work involved is heavy and it would be very

very costly indeed to have this same set of papers dealt with by two different sets of officers. The present proposal is, and I think it is a proposal that gives general effect to the proposals of the Acworth Committee, that the whole audit and accounting staff should come under the railway administration but that the Auditor General should continue in the exercise of his functions to test audit the work of these officers. I cannot agree with Mr. Joshi that a test audit cannot be so effective as an audit of every item of the accounts of executive officers. The work of test auditing audit work already done by auditors under the Railway Board will be very much less than the work of the Audit Department in dealing with the papers in the first instance of the executive officers. However, the Government have come to no final decision in the matter. The question will have to be settled on the question of the cost, and the present position is this. The Auditor General, I may explain, is in entire agreement with the proposal I have set forth now and in order to see how the scheme will work out an officer has just been deputed by the Auditor General to work out what the cost would be of such an arrangement in connection with the amalgamation of the East Indian and the Oudh and Rohilkhand Railways. It would be impossible in any case to start this system of separation of the accounts and audit work simultaneously over the whole of the railway systems of India at once. It would be impossible to get the staff together in a day. The officer deputed is to work out the details in order that it may be known what exactly the cost will be. I have here a note that I had on my table giving an account of these proposals which I had intended should be discussed by the Standing Finance Committee at their next meeting, I hope sometime next month. The report of the officer in question, who will probably take two or three months to get it ready, will be placed before the Standing Finance Committee and no action will be taken in connection with this matter until the views of the Standing Finance Committee have been obtained. I do not think, Sir, that the question raised by Mr. Joshi has anything to do with this particular motion. His opinion was apparently that the auditors of the company lines were subordinate to the Agent.

Mr. N. M. Joshi: They are.

Mr. G. G. Sim: I do not know what authority the Honourable Member has for making that statement. The auditor on the company lines is appointed by the Board of Directors and reports independently to the Board of Directors. It is his business to look after the financial interests of the shareholders of the company just in the same way as it is the business of our Government Examiners to look after the interests of the taxpayer. I do not quite understand what exactly Mr. Joshi wants us to do in the matter.

Mr. N. M. Joshi: You cannot get away from the facts.

Mr. G. G. Sim: I have already given the facts.

Mr. N. M. Joshi: Let the Finance Member speak.

Mr. G. G. Sim: Very well, Sir, the Finance Member will perhaps oblige the Honourable Member. I do not know where Mr. Ranga Iyer got this information about a proposal to start this system on some railways in the beginning of March. (*Mr. C. S. Ranga Iyer:* "Is it or is it not a fact?" *It is not a fact.* There is no foundation for any such statement. There never has been any intention to do anything of the kind.

Mr. Chaman Lal (West Punjab: Non-Muhammadian): I am very glad to know from the Honourable Mr. Sim that there never has been any intention to do anything of the kind in relation to the separation of Audit and Account on the Railways. But we are very perturbed about this particular matter. Was there any intention to do anything, not next March but later on? Is it a fact that the Auditor General has been consulted in this matter? Is it a fact that he has given his definite opinion against the separation of the Audit and Accounts Department? These are the questions, Sir, which I would ask the Honourable the Finance Member to reply to. If it is true that the Government contemplate the separation of the Audit and Accounts Department in so far as it concerns railways, then we object to that. Our grounds for the objection are mainly two. One is that it would weaken the control of this House and weaken the control generally exercised by the Auditor General over the accounts of the railways; and the second is, that it would lead to unnecessary duplication of offices and unnecessary expense which naturally comes out of the pocket of the tax-payer. Here you have under section 14 of the Government of India Act the relationship of this House to the Auditor General laid down quite clearly. If you put forward your scheme, if you contemplate—I do not know if you do contemplate it—if however you ever might contemplate a scheme like that, then that control which is laid down by Statute will be weakened and the control not only of Auditor General but the control of this House will be weakened. You may perhaps present an analogy, namely, of railways run by companies. But it is a forced analogy, I suggest, because there the Directors are financially and personally interested in the financial running of the railways. Here you are a set of irresponsible gentlemen running railways; no doubt trying to run them to the best of your ability, to the best of your knowledge: doing it undoubtedly very competently; nevertheless you have not that impetus which company Directors have got because they are personally interested in the financial results of running railways. Therefore, Sir, I want a very clear answer. That answer must be either yes or no, whether you contemplate any such separation or not.

Mr. H. G. Cocke: Sir, the reason underlying the proposals of the Acworth Committee was obviously to get our railway accounts more on commercial lines as they are in England, where each railway is on its own basis and prepares commercial accounts. (A Voice: "They are private concerns.") They may be private concerns, but the Acworth Committee wished to place the Indian railways so far as accounts are concerned on a business basis, and they intended that they should be on a basis which would permit a commercial audit. That is the chief difficulty with the Indian railway accounts to-day. A demand is being made to commercialize the system, but I am inclined to think, as I said last year in connection with the Post Office, that it is being done without the necessary expert assistance. I know that the Government of India have taken some steps to get qualified commercial accountants to assist in this work, but they are I think somewhat late in the day in doing it. On the general question of cost of audit and as to whether the separation of audit from accounts will increase the cost, I have no very decided opinion. What I do know is this, that the more you spend on audit, if it is efficient audit, the more economies it will lead to, and in the end you will save money; and therefore I suggest that the separation of accounts from audit

is most desirable in order to get more independence into the audit and more efficiency and in the long run undoubtedly more saving. The efforts of the Committee which has been set up to establish this separation and their proceedings have been carried on rather in obscurity, and we are told that they have started experiments in certain directions, but beyond that I think we have very little information. I should like very much to hear something further as to the steps which have been taken to obtain this separation of accounts from audit, and whether Government contemplate any new steps in connection with the audit of railway accounts.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, I quite realize the gravity of the issues which are raised under this question, and that it is a wise move to place the whole question before the Standing Finance Committee for Railways, but, Sir, before we can commit ourselves to any view, may I suggest that the Standing Finance Committee after examination of the question should report to this Assembly before any decisive action is taken. It is only with the approval of the Assembly that any decisive steps should be taken committing the country to any new scheme.

The Honourable Sir Basil Blackett (Finance Member): Sir, I have been called upon by Mr. Chaman Lall to state whether it is or is not a fact that we have in contemplation the possibility of the separation of accounts from audit; and he says that if it is a fact, then he will oppose it. It is characteristic of him to make up his mind before he begins to understand a subject, and I hope the House will not follow him in that procedure. This subject is one which, though it arises to-day quite correctly in connection with Railways, has a very much wider bearing. It applies not only to the Railways but to the whole of our accounts, and I may add it has quite an important constitutional side to it in connection with the separation of the Provincial Governments' accounts from those of the Central Government and with the general question that is known as provincial autonomy. I should therefore regard it as most undesirable that this House should to-day commit itself to any view either for or against the general desirability of the separation of accounts from audit. It is a subject that undoubtedly must come up for discussion in this House in its general bearings before final action is taken in the matter. There are two or three separate issues that have been raised to-day. Mr. Joshi has referred to the question of the position of audit on the Company railways. He received a perfectly correct answer from Mr. Sim but he did not seem willing to accept it. I think that there was some confusion in the matter. He was forgetting that there is a Government Examiner who examines all the accounts on behalf of Government quite apart from the audit that is carried on on behalf of Company railways. I do not want to say more about that. I will pass on to the question of the separation of accounts and audit in so far as it applies to Railways and bring it into relation to the question of the separation of accounts and audit generally. It has been stated by more than one speaker that the effect of such separation is to weaken the control of the Auditor General and to weaken the control of this House and I have been challenged to say whether there are differences of opinion within the Finance Department and what is the opinion of the Auditor General on this subject. So far as I know there is no such difference of opinion. I am not in a position to say what is the opinion of everyone of the members of the Finance Department, if

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you include the two or three thousand, who are members of the Finance Department in the sense that they are members of the staff of the Accounts and Audit Department; and I have some suspicion that it may be some opinion coming from somewhere there as regards the possible effect on prospects that has caused the interest taken in some quarters in this House to-day. Naturally, in any question of this sort, if it did come to a separation of the two departments, the very greatest care would be taken to consider the interests of all concerned. It is always one of the difficulties in such a change. But I deny absolutely that the effect of any such change would be to reduce the control of the Auditor General or of this House. On the contrary, my main interest in the subject is that I believe it will greatly improve audit and it will improve the independence of audit. The difficulty that you have at present is that the Auditor General is also the Accountant General. As Accountant General he is not an independent officer. He is under the orders of the Government of India in the Finance Department in so far as he is dealing with accounts. In so far as he is dealing with audit, he is independent and it is extremely difficult obviously to secure that either he does not try to assert his independence in matters of account where he is not independent or perhaps, even more difficult to secure, that the Government of India must not try to restrict his independence in matters of audit, where he ought certainly to be absolutely independent. If you want to get a really satisfactorily independent audit, you have to consider seriously whether the present intermingling of accounts and audit and the dual capacity of the Auditor General is not rather a difficulty in the way. I think the words "test audit" may have also led to some misunderstanding. The word "audit" is as a matter of fact used in India for a great many functions which are in England, at any rate, regarded as questions of internal accounting. There is the internal check and the external check. I regard the functions of the Auditor General to be to apply an external check absolutely uncontrolled by the executive in the interests of the tax-payer. Really in England he is an officer of the House of Commons, of Parliament. He ought to be quite independent in the performance of that function. The internal check can with very great difficulty be separated from the ordinary accounting which has to be done internally. At present it is done internally by officers of the Accounts Department without very close touch with the department whose accounts are being kept or checked; and we have considerable difficulties in that connection in the case of the Provincial Governments. I think it was the Retrenchment Committee which drew attention to the fact that the Central Government's expenditure on accounts and audit was liable to be increased from time to time by accounts questions asked by the Provincial Governments and particularly by the Provincial Legislatures, questions which they are quite entitled to ask, but the answers to which involve considerable work for the Central Government's Accounts and Audit Department, and it is a real difficulty if you want to get to separation of provincial finance from central finance. Similarly, in a Department like the Railways, the combination of accounts with administration has very considerable advantages. The question is of course whether they outweigh the possible disadvantages and the possible difficulties of change. That is the question that has to be considered, but in itself it has clear advantages. To begin with, the administrative point of view is much more likely to be in the mind of the man who is keeping

the accounts if he is within the department; and I regard, and have always regarded, the functions of a Finance Department as being not to sit still and say "No" wherever possible, not to be, as the German poet said, the spirit that always denies, but to assist the department to spend its money wisely. That seems to me to be an essential function of a Finance Department. I agree that it has got to be very careful so that it may not allow another department to spend too much money. But in the long run I am sure it makes both for efficiency and economy if a Finance Department takes that view than if it is purely in a negative position. Inside a department the accounting staff can very often in my experience add enormously to the efficiency of administration if it is co-operating with the department in the carrying on of its administrative functions. Therefore, to arrive at that there is a great deal to be said for having the accounts quite separate from audit. It is absolutely essential that audit should be independent, that it should be quite independent of the executive, that it should be conducted fearlessly and that it should be thorough. I believe myself that in a great many directions the separation of accounts from audit will lead or would lead, if adopted, to very much more thorough audit and I know that in one of the recent experiments that has been adopted—I refer to the accounts of Imperial Delhi—the result of the separation has been quite electric in causing saving in expenditure. Therefore, as Mr. Cocks says, efficient audit may very likely save 50 or 100 times over its actual cost. I do not say that the present audit is inefficient. But I am quite sure—and I know that the Auditor General agrees with that view—that if he were relieved of some, at any rate, of his accounting functions, he would be in a better position to apply more effective audit. The word 'test' audit has been used in this country as a distinguishing name for that audit which is not an internal check, but it does not in the least imply that it is not a complete or thorough audit.

As regards the Military Department, which was mentioned by Mr. Joshi, the arrangements there have recently been brought very much on to the lines which are contemplated as a possible method of advance in other departments. That is to say, arrangements have been made for a complete outside audit of the accounts of the Military Accounts Department by the Auditor General, the Military Accounts Department being already, under the system that has been in vogue for a good many years, separated from the General Accounts and Audit Department. It is a tempting subject on which one can enlarge. Mention has been made of the experiments that are going on. These experiments are still in course of being carried on and it is premature yet to say what exactly the lessons will be which they will teach. Undoubtedly the separation would cost something extra for audit. But I think it is very likely that the extra cost would be very much more than made up by the extra efficiency of audit and the saving in general expenditure that would result. As I said at the beginning, there are other considerations besides purely financial ones which have to be taken into account in this matter. There is the question of the separation of provincial finance from the central finance and it is extremely difficult to see how the Central Government can continue to keep the accounts of the Provincial Governments if their finances are really to be separated. You must have a strictly independent audit, and that audit might very well continue to be conducted by the Auditor General for the whole of the provinces is, I think, very likely. But, unless you can somehow or other separate the accounts from the audit in the case of Provincial Governments, you will have considerable difficulty in making progress in the

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direction of financial autonomy for the provinces. I would suggest to Mr. Neogy that he should not press this motion because I do think that it is premature either for the Government of India or for this House to express a final view on this subject.

Mr. K. O. Neogy: As the Government have stated that this House will have an opportunity of discussing this very important question before any decision is taken, I beg leave to withdraw my motion.

Mr. N. M. Joshi: Sir, on a point of personal explanation. My Honourable friend Mr. Sim stated that when I said the auditor on company line railways is under the control of the Agent, I was not stating a fact, and the Honourable the Finance Member said I was confusing it with some things which were not relevant. Sir, I will only read a few lines of the latest report of the Public Accounts Committee:

"The Committee noticed with concern the number of natural irregularities which were shewn in this report, as occurring on the Great Indian Peninsula Railway. The Auditor General suggested that the auditor on company-managed lines is generally under the control of the Company's Board, and in some cases of the local executive" (*which to my mind means the Agent of the Railway*). "It would be useful if a check were exercised by the Government Examiner."

There are also a few other sentences relevant to that:

"They (the Committee) observe that a reference had been made to the desirability of making the auditor on company lines independent of the Agent by the preceding Public Accounts Committee on page 61 of their report. The Committee hope that Government will place before the succeeding Committee a report of the steps that have been taken in this connection,"

—that is, in making the auditor on company-managed lines independent of the Agent.

I hope, Sir, that the facts stated by me were correct, but I do not expect my Honourable friend Mr. Sim, as he is very much enamoured of the scheme of separation of finance from audit, to know these facts.

Mr. G. G. Sim: Sir, I do not know why Mr. Joshi put that particular interpretation on the passage he has quoted. I can only tell him that my own information is, and it is based on correspondence with different railway administrations, that the Chief Auditor on the railway, by whom I mean the auditor who is responsible for the internal accounting arrangements of each company, is appointed by the Board of Directors, and that he is responsible to the Board of Directors for the financial work of the line. In some railways it is the practice for the Chief Auditor to send a weekly letter to the Board of Directors, just as the Agent does. In other cases he writes when he pleases, but in every case he sends annually his own separate report of the accounts and finances of the line. In addition to this Chief Auditor on the Company lines, we have, as the Honourable the Finance Member explained, a Government Examiner, who in turn checks the accounts and looks after the interests of the Government on each company organisation.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,16,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of Audit."

The motion was adopted.

DEMAND NO. 4.—WORKING EXPENSES: ADMINISTRATION.

Mr. President: The question is:

"That a sum not exceeding Rs. 12,31,00,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Working Expenses: Administration'."

RECOMMENDATIONS OF THE INCHEAPE COMMITTEE.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, with your permission I will pass over Nos. 37 to 42 and move No. 44. The 80 lakhs referred to in No. 44 are split up into various cuts in each Railway in Nos. 37 to 42 so that those motions will be dealt with as part of No. 44. I beg to move that the demand under the head 'Working Expenses: Administration' be reduced by Rs. 80,00,000 as already recommended by the Inchcape Committee.

Sir, I have to place certain preliminary matters before this Assembly before dealing with the motion itself. You will permit me, Sir, on this motion to bring out the whole position relating to these several cuts and if in the course of my remarks I am not able to deal with everything I will request your permission, Sir, if the Government refer to any other items than those I refer to, that I may be permitted to reply to those also. I leave that to you, Sir, and will abide by your ruling.

The position, to be understood properly, has to be taken back to the beginning of the year 1923-24 which was the year in which the recommendations of the Retrenchment Committee were attempted to be given effect to. Honourable Members will see that the Statement of Railway Revenue and Expenditure of the Government of India that has been placed on the table with the speech of the Honourable the Commerce Member gives a column relating to revised estimates for 1924-25. With respect to the accounts of 1923-24 the figure for working expenses of State lines is shown at 59 crores 15 lakhs. The Budget estimate for 1923-24 was itself 64·25 crores, though in the previous Financial Statement it was given as 63 crores. The fact is that in the 63 crores they have deducted some eighty odd lakhs under the head "Expected deduction in programme revenue expenditure" and another forty lakhs on worked lines share; so that the real figure on which the Budget for 1923-24 was based is 64 crores. The Retrenchment Committee recommended that for the year 1923-24 it should be 64 crores, about 4½ crores less than the original Budget for 1923-24 or 3½ crores less than the Budget which was proposed to be placed by the Government of India as the preliminary Budget for 1923-24. That is the recommendation of the Retrenchment Committee which appears in the concluding paragraph appearing at page 81 of that Report where they recommend that "the budget provision for working expenses including surplus profits in 1923-24 be limited to 64 crores subject to a further allowance to meet any increase in traffic, etc.". Actually, as I said, it was put at 64·2 odd crores but subsequently the programme revenue expenditure was expected to be less by 1·20 crores, and the Financial Statement last year put it finally at 63 crores. Subsequent to that we have had these two years' work. Since the last discussion of the Financial Statement we have had the Administration Report of the Department for 1923-24 which clearly goes into the whole question and shows how much it has been possible to save on the budget estimate of 63 crores. But before taking that up, I have to explain that since the last discussion, when it was alleged on behalf of Government that the Retrenchment Committee had not recommended very much more reduction than the 64 crores that was referred to in the final report, I have

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had the honour to examine that Committee's Report in detail in a series of articles, copies of which, as I said in my opening speech on the budget discussion day, I asked the Legislative Department to get printed for the benefit of Honourable Members here. I did not know that there was no copy supplied to Honourable Members on the other side; I just showed a copy this morning to the Honourable Mr. Sim. I say it was already referred to by me. This particular report examines paragraph by paragraph the recommendations of the Retrenchment Committee, and I come to the conclusion that they really recommended over and above the $4\frac{1}{2}$ crores referred to in the last recommendation or the $3\frac{1}{2}$ crores over the budget estimate of 1923-24 referred to there—they really recommended a reduction in expenditure, by gradually economically working the department, of more than about 10 crores below 64 crores. That has been my contention. They have examined every aspect; they have said that in coal alone a crore and 85 lakhs may be saved in regulating the consumption by engines and in cheapness of prices and the want of necessity to get foreign coal, a reduction of much more may be expected making in all more than 2 crores. Under the head "Maintenance and Repairs" they recommend a reduction of about 2 and odd crores; under staff they expect $1\frac{1}{2}$ crores reduction and under running expenses and locomotive expenses they expect about 2 and odd crores; and again under wagons they expect a reduction of about '82 crores. According to my own calculation of the statements they have made there, including also as I said about $1\frac{1}{2}$ crores under reduction of staff, they expect to reduce expenditure by about 10 crores below 64 crores; that is their real recommendation. So that the present Resolution that I move has to be clearly understood as asking the department now to give effect to that recommendation. Last year when I proposed a cut of about $10\frac{1}{2}$ crores at a time, of course Honourable Members said that to think of a cut like that in the practical working of a railway was absolutely impossible. I have learned that lesson and I have taken it completely to heart, and therefore I have carefully tried to place before the Government very very small cuts (Laughter), showing in detail the amount they have been spending in the various departments and in the various branches that we have to attend to. To understand the figures that I shall presently place before this Assembly I would like to draw the attention of the Assembly to the fact that the figures given in the present Demand No. 4 will not tally with the figures given in the corresponding Demand in the previous years. You will find "General Administration" last year had been put, even for the Budget of 1924-25 and 1923-24 at only $8\frac{1}{2}$ crores. Unfortunately, though I expected an explanation of the differences, it has not been given. In the notes, however, I have tried to explain the matter to the House and I think there will be no difference between me and the Government on that matter. Though it is now put at $12\frac{1}{2}$ crores, last time "General Administration" had been put at only $8\frac{1}{2}$ crores. The real difference is that some heads which previously had not been brought under this head have now been added here—for example, "Cash and Pay", "Police", "Telegraph Department", "Contributions to Provident Fund" and "Gratuities". All these had not been included in the previous Budget under this head. The Demand now includes these with the result that you have provision made for $11\frac{1}{2}$ crores under this head for the last year, though the last year's financial statement would not give you the same figure, but only $8\frac{1}{2}$ crores. That really does not much matter. All that we are now concerned with is that these heads were probably put in under other Demands last year, but they are shown separately here now. There

is also one other difficulty that I must point out. The figures given for each of the departments—for example, the Engineering Department, the Locomotive Department and the Carriage and Wagon Department and Traffic Department—do not tally exactly with the figures given for last year. They differ by a few lakhs more or less. But I understand that the accounts were closely examined this year and as we are starting with the new system they have been brought under the proper heads recently. So that these slight changes in the financial statement may also be overlooked. In fact they simply mean that they have been more correctly stated.

There is another great difficulty with reference to these figures. Honourable Members will see that if you take the Retrenchment Committee's Report or the Administration Report of the Department, there is no head which can be directly traced as a portion that is dealt with in them. In the Retrenchment Committee's Report, they divide these various heads. On page 65 in paragraph 11 they give the heads: maintenance of way, works and stations, locomotive expenses, carriage and wagon expenses, traffic expenses, and general charges, and special and miscellaneous and other items. The Administration Report also deals only under these heads. But actually when you go to Demand No. 4, you find the Engineering Department separately. This Department is only part of the Department which takes charge of the maintenance of way, works and stations. So in the Administration Report that Department's sole expenditure is put under various heads in Table A of Table No. 21. And the first column there is superintendence. And the head of that column is "General Superintendence including office expenses". It is that first head that refers to the Engineering Department. Similarly, Table B deals with the Locomotive Department and this first head of Table B is the supervision of that department, and that again has to be taken as referring to the Locomotive Department in Demand No. 4. Then the Carriage and Wagon Department is the first head of Table C. And then the Traffic Department is the first head of Table D. And then the Agency, Audit and Accounts, Medical Department, steamer boat service, police, all these are styled General Charges in the Table, and that is given as Table E, and there is no Table F given there, but Table G comes in and that refers to Miscellaneous expenditure, which is covered by the head "other expenses", I think, under Demand No. 4. So that though we have correctly followed the figures given either by the Retrenchment Committee or by the Administration Report, so far as Demand No. 4 goes, you should take sub-heads (1) of each of the Tables that I have referred to and in the case of the Retrenchment Committee the arrangement is made according to those Tables. As I said, reference to that particular paragraph will show that the maintenance of way, works and stations includes the Engineering Department *plus* the portion of the maintenance of "way, works". Locomotive expenses include the locomotive department of the General Administration and also the heads of operating expenses and expenditure on rolling-stock; no locomotive expenses include expenses on renewals and replacements of locomotives and running expenses on locomotives, etc. Carriage and Wagon expenses will cover the Carriage and Wagon Department as well as also expenditure on rolling-stock. Traffic expenses will cover the charges of the administration of the department as also the expenditure on the staff relating to traffic. Similarly, the "general charges" includes the case of other heads except the last which

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I say is miscellaneous or "other expenses". This information is necessary if you are to compare the figures that I am going to give with the figures given and it should not be said by Government hereafter that the figures which I give do not quite tally with their figures, because they are responsible for it. Without having an explanatory note why they have not shown the same figures as in the last year's financial statement, I have to go upon the figures we have and I have worked them out accordingly.

I shall take first the Engineering Department. Before going to that I will deal with the general recommendations of the Retrenchment Committee. We are now concerned with the staff generally, and that is dealt with in paragraph 22 of the Retrenchment Committee's report, page 71. There they consider the strength of the administrative and clerical staff, and the technical and industrial staff, and they point out how disproportionately to the increase in income and traffic the staff has been increased during those years. They examine how far that can be cut. There is one Agent, the Agent of the Great Indian Peninsula Railway, who had told them that he had already been able to effect a cut of about Rs. 50 lakhs—40 lakhs in establishment and the remainder under expenses consequent on such reduction. Then they go into the question of the other Agents and they recommend an additional one crore—meaning thereby that they expect a total cut of 1 crore and 50 lakhs in the expenditure on staff. They refer definitely to a further one crore. I especially refer to that because there is a difference of opinion between Mr. Sim and myself on that point. They expect a further cut of one crore under that head. I know, Sir, that the Department has carefully explained this matter and has gone into this question in Part I of their Administration Report. On page 57 of the Administration Report for 1923-24, Part I, they examine how far the staff had been reduced. An examination of it will show that where the recommendation of the Retrenchment Committee was that there should be a general decrease in expenditure and the total must be about 1 crore and 50 lakhs, some of the railways reduced expenditure to the extent of 103 lakhs, but some of the other railways increased their expenditure and the increase is about 20 lakhs. The fact is that railways that have been all along spending have been spending more against the recommendation of the Retrenchment Committee. Some of the railways which have incurred losses more than before have been spending more on staff without any real reason for not retrenching, while others attempt to reduce expenditure. For example, the Great Indian Peninsula Railway, which had been referred to by the Retrenchment Committee, had retrenched 40 lakhs on establishment. The Bombay, Baroda and Central India Railway had begun only, I should think. They had reduced by 17 lakhs. The North Western Railway had reduced in the course of 1923-24 by 22 lakhs and sundry other cuts. But peculiarly, Sir, the Assam Bengal Railway had increased by Rs. 27,000, the Bengal Nagpur by about 3 lakhs, the Bengal and North Western by Rs. 15,000, the Burma Railways by 9 lakhs, the East Indian Railway by 5.6 lakhs and the Madras and Southern Mahratta Railway by 1.04 lakhs. I bring this to the notice of the House because it will show that the Retrenchment Committee's report has been absolutely forgotten within a very short time. They were adding to the expenditure whereas they should have retrenched. Other railways began to show a reduction but I will

slow presently that they also forgot retrenchment immediately after that year passed. So that in the Budget of the year you will find an extra provision made of about Rs. 80 lakhs of which an explanation is no doubt given. Rs. 37 lakhs is accounted for by the Lee Commission's recommendations and Rs. 10 lakhs by additional gratuity to be given to servants of the East Indian Railway. Extra expenditure on new schemes is fixed at about Rs. 15 lakhs so that you actually find another Rs. 40 lakhs at least extra budgeted without any attempt at any further retrenchment. I was in the Finance Committee and I am not now taking any objection to the additional expenditure that has been provided and referred to in the notes except to the extent of the cost of carrying out the Lee Commission's recommendations for which there is a clear provision. But the Rs. 80 lakhs that I have pointed out to cut does not cover either the extra provision made or the cost of carrying out the Lee Commission's recommendations. So we are on clear ground. Whatever has been recommended by the Retrenchment Committee has not been tried to be given effect to. Not only that, it has already been tried to be set at naught without any proper attempt being made to give effect to that Committee's recommendations. I have read every page and every paragraph of the first volume of this Administration Report. It is a very good document. It examines the whole position and tries to treat some portions of the recommendations of the Retrenchment Committee as open to objection. I will not take up that point now: I will take it up when the time comes. But so far as this particular portion is concerned, attempts are being made to whittle down the recommendations. I may parenthetically record my grateful appreciation of the work that has been done by some of the railways in the matter of carrying out some of the Retrenchment Committee's recommendations. I must say that though some of the railways showed their anxiety to carry out the recommendations at the commencement they forgot them later on when they began to find extra crores of rupees coming in. I may say that wherever there is any extra provision made for the purpose of the extra income that we may get or that we have got, I do not object to such expenditure. For instance, the note to operation expenses in the present Demand No. 5 explains that about Rs. 17 lakhs and odd will be the extra cost of the operating staff for the increase of about Rs. 3 crores in gross receipts that we expect next year. I am not disputing it at all. I put the position like this. When the Government gave effect to the recommendations of the Retrenchment Committee at the beginning of the year 1923-24 they only made a cut of Rs. $3\frac{1}{2}$ crores and all these $3\frac{1}{2}$ crores related purely to the programme revenue cut that they expected. When they said that they were making a cut of Rs. $4\frac{1}{2}$ crores on the preliminary budget of 1922-23, they actually put in an additional Rs. $1\frac{1}{2}$ crores. That was accounted for by Rs. 1 crore under the head "Coal" which the Department had agreed to cut that year, and Rs. 50 lakhs under the head "Establishment" which had already been agreed to by the Great Indian Peninsula Railway. The Rs. 64 crores only means the preliminary budget of 1923-24 minus Rs. 350 lakhs programme revenue. The Budget as now revised places the actuals following on that. What was the effect? There is a total saving. There is another matter that will have to be borne in mind by Honourable Members. There is an apparent reduction of $4\frac{1}{2}$ crores. The Budget was 64. They themselves cut out 1 crore 20 lakhs under programme revenue in the course of their first observation and then there was 63 crores. Of these 63 we have only

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59.15 as net expenditure. In the Administration Report for 1922-23 they have examined it carefully and they have said that of this 1.59 crores is only programme revenue. I am not raising that question now. We may leave it. The two other items that they club together are repairs and maintenance about 57 lakhs and 1.69 crores under operation expenses. There again the explanation is given that there has been some attempt to secure economy which, as I have already told the House, has been done to some extent. When dealing with repairs and maintenance and operation expenses, I will show that some railways have done really good work, for example, the North Western Railway. But as I said there are lines which are already expending a disproportionately high amount on the staff. I ask Government if they checked them. Do they prove it by the check upon the Budget? Do they prove it by cutting down any portion of the past year's Budget? I submit I find on examination that it is not so. Before I go into details, as I said, even if you take the Retrenchment Committee's total they have not proved that they have cut more. The total cut under "General Administration" must be 2½ crores, but taking the 1.50 crores directly recommended in paragraph 22 I say that 103 crores has been given effect to. 47 lakhs must be cut in the course of the year 1924-25. Other lines have run up their expenditure by 20 lakhs. Certainly there could be no room for that at all. Under "General Administration" relating to these departments there was no reason to allow any increase because the amount anticipated as income from revenue was about 100 crores in 1922-23. For 1923-24 a similar amount was anticipated though later on, because of the failure of the passenger traffic and the goods traffic, they had to reduce it, so that for the present in connection with the 100 or 98 crores that you are anticipating there is no reason for budgeting extra for Administrative staff. Therefore I submit this 47 lakhs has not been reduced as was expected. There is an additional 20 crores that has been put in by some lines. That ought to be cut off and those lines ought proportionately to have cut off another 20 lakhs and the present cut that I recommend, the amount of 80 lakhs, is within those figures and nothing else. We are starting the new Budget. We are separating railway finance from the general finance. The railway finance has come into close scrutiny and in future years only the new alterations will be placed before the Finance Committee. Even this year we had time only to examine the new figures to some extent. The rest of it was put in lumps and we have not had time to examine them. Now I have examined every item as far as possible in detail. I want bare justice by cutting down these demands. But I am going to show that if I had asked for the full cuts recommended by the Retrenchment Committee the amounts will be much more.

I think I will now only take the Honourable Members through the figures of the Engineering Department. I propose to show the various cuts possible in the different railways. I need however only deal with one as an example and even so I do not propose to deal with it in full. Table A, as I said. . . . (Diwan Bahadur T. Rangachariar: "May I ask the Honourable Member, does that deal with establishments?") Yes, I am now dealing only with the staff portion to which I have already referred. Honourable Members will see that in the budget for the Bengal Nagpur Railway which they have in their hands at page 5 the Engineering Department is dealt with. The provision for 1923-24 was 17.01. The

budget estimate for 1924-25 was 18·27. That itself shows that they were increasing the expenditure. The revised estimate puts it at 18·32 and the budget estimate for 1925-26 puts it at 21·79. That is, in the Engineering Department of the Bengal Nagpur Railway about 4 lakhs extra is sought to be provided, or about 20 per cent. of the expenditure under that head in the year 1923-24. What is this line? It is a losing line. It progresses in losing. There was a loss of minus 10 per cent. of the capital invested in 1923-24; in the coming year the loss is expected to be minus 1·35. That is, minus 1·25 per cent. is the extra loss on this line under the present system of working. What we see is that extra establishment is being provided in the Engineering Department and similarly in others. This one case therefore completely establishes the fact that they are rushing up the expenses and are forgetting the Retrenchment Committee's recommendations and no heed is paid to what they proposed. As to the statement contained in the Administration Report for 1923-24, I will examine this point further. Looking into this Table A of 31 under the head "General Superintendence" Honourable Members will find the amount provided for each railway is given in the second column and third column gives the cost per mile of line maintained. The number of rupees is given per mile of route in the third column and per mile of track including sidings in the fourth. Honourable Members will also see that in the 5' 6" gauge railways the cost per mile is given for each of the railways; so that it will be found that in the case of the route mile maintained the figures for each mile for the cost of staff ranges from 529 on the Nizam's Guaranteed State Railway to 1,448 on the Eastern Bengal Railway. I said already that the Retrenchment Committee considered all the heads referred to in Table A under the head "Maintenance of Way and Works, etc." together. That is what I originally pointed out. That is the way it has to be compared, and they saw that the maintenance of each mile including staff and other expenses had progressed on an average from 1,035 to 2,600 or so. They point out how that has to be deducted and they say, close watch will enable them to do that, and point out that they are not satisfied that the present scale of expenditure is essential to the efficient working of the lines. I do not therefore ask the Government immediately to work up to the amount of the lowest line because I know there are various conditions to be taken into consideration in each line. However, even that would come largely only under repairs and maintenance for other heads; but so far as the staff is concerned, I submit, Sir, that the cost of the staff for each mile of line maintained cannot be much more, except it may be in the case of the lower staff who have to attend, for example, to a somewhat greater number of repairs on account of floods, etc. All these lines are existing for a very long time and are well settled, and therefore, except in the case of serious accidents as in the case of the recent floods and others, the ordinary maintenance must be susceptible of being brought under some control. A large margin is given for the different lengths of sidings in each railway. I understand however that the Eastern Bengal Railway has nearly double the amount of miles in sidings than the amount for route mileage. That is of course an extraordinary railway, but I see no objection now to allowing the same for the siding as for the main line. Even if that be so, you will find in column 4 that this particular line, the Bengal-Nagpur Railway, spends Rs. 528 per mile including sidings while the lowest is Rs. 408 for the North Western Railway. It spends Rs. 734 per route mile, for the lowest Rs. 529. We know very well that the North Western Railway has got

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various kinds of tracks in its lines and that it works directly under the control of the Government of India. Well that line spends only Rs. 408 per track mile. I of course would not expect everybody to work on Rs. 408 per mile maintenance; I would allow Rs. 500 ordinarily, with suitable changes of conditions, and if I proceed on those lines to consider the cost of route and track mile I would have to cut the expenditure of the Bengal Nagpur Railway by 3 lakhs. But what I ask for is only a cut of one lakh for the present. That is the position that I take. I give an allowance for reasonable extra expenditure, and I put it to the House that if there was any meaning in the recommendation of the Retrenchment Committee in the paragraphs that I have referred to, where they say that this extra rate for all these lines is abnormal, this point should be closely attended to, and I therefore say that under this head you cannot permit extra expenditure on this scale; it ought to go down clearly. Similarly, in all the other railways noted in Motion No. 37 the expenditure to be curtailed will come to much more than 4 lakhs on that high estimate for each railway, and I have proposed to cut as I have mentioned. That is the way I have proceeded. Similarly in respect of the Locomotive Department—as will be seen from Table B, first head, “General superintendence including office expenses”—there again it will be seen that the headings are given like this: first the total amount expended is given, and then the per engine mile is given, that is the cost of running per engine mile, and then per thousand gross ton miles. The rate for the 5' 6" lines is given, first, then 3' 3½", and then the 2½', and it will be seen that ordinarily in almost all the railways of 5' 6" gauge the expenditure under this head does not go above Rs. 16 per mile. But you find that in the case of certain lines, the Madras and Southern Mahratta Railway, broad gauge, and the Nizam's Guaranteed Railway, the Assam Bengal and the Bombay, Baroda and Central India Railway, metre gauge, there is a greater expenditure. I only take note of the extra, though it is found that ordinarily they work at much lower rates; I take 16 in the case of broad gauge and 27 in the case of metre gauge, as the amount which should be taken, making allowance for all contingencies; and taking that figure, I only refer to cases of lines where they spend even more than that, and to the extent they spend more I want a cut—not in full but only a portion. It is in that way that I have calculated, Sir, and it is so with respect to the other things also. I do not think if I go into further details under each head it will be very pleasant to the House at all, and therefore I submit I have proceeded with caution and the request that I make to the Government is to pay attention to the details, especially at the beginning of the separation of this Budget. The work of the Retrenchment Committee ought not to be lost on the country. The Government have accepted that they have been experts who have given advice. It has been followed with great respect by the Government themselves and here in the Railway also they have tried to follow it; but they are beginning to forget. It is not in the nature of any Agent or any officer for the matter of that to reduce establishment. That is a great question. Probably everybody is familiar with this. Every man wants to continue by some means or other; nobody wants to be sent out and everyone wants to stick on. That ought not to be allowed. As was said by the Agent of the Great Indian Peninsula Railway before the Retrenchment Committee, even if you have to give notice, it should be done; you cannot therefore mulct the tax-payer with expenditure of crores on unnecessary staff and work. The keeping of all

this establishment will mean, as I will show in the case of " Ways and Works " also, is much more than what it should be. In effect it will be seen that I am not asking for any retrenchment in the actuals of 1923-24. For 1925-26 that establishment will be sufficient. Anything more that has been added to it in 1924-25 and 1925-26 ought to go. 1925-26 would not suffer by that. I remember one of the Government Members telling us that if any money is taken out, the income will decrease. I have so provided that no income will decrease. I only want a small retrenchment, not to the full extent to which it ought to be effected. I only touch the fringe of it. For these reasons I submit that my motion may be accepted.

Mr. G. G. Sim: Sir, in his speech on the general discussion on Monday, Mr. Rama Aiyangar gave the House two main principles on which the Railway Budget should be prepared. He took strong exception to the remark of the Honourable Sir Charles Innes that the estimates are only the best forecast that we could give of the flow and volume of traffic next year. Sir Charles Innes warned the House that it was not possible to anticipate or bank upon the net receipts put down for next year, that the amount of net receipts would necessarily depend upon the state of trade, which was not under the control of the Railway Board or of this Assembly. The Honourable Member said that he entirely disagreed with the Honourable the Commerce Member. His own view was that if actual receipts fell below anticipated receipts, there must simultaneously be a corresponding reduction in the budgeted expenditure. He said that if you budget for 103 crores of receipts and for 93 crores of expenditure, that is to say, for a net receipt of 10 crores, if actual receipts came to only 93 crores, the expenditure would be reduced to 83 crores and there would still be a profit of 10 crores. He might have carried this argument a little further. You might imagine a year in which, owing to strikes or floods, the trade is so impeded that practically nothing would be carried on the railways and then you would have had gross receipts of 10 crores and actual expenditure nil. Now, Sir, the Honourable Member must surely be aware that you cannot put forward an accurate budget and it is not the case that whatever your estimates of receipts and expenditure may be, your net receipts will remain the same even when your gross receipts come down. If the Honourable Member will read the report of the Acworth Committee he will find that they have dealt with this matter very clearly. They have given a table showing how the gross and net receipts of the railways have fluctuated for the past 20 or 30 years and they have shown clearly that if gross receipts do go down, the reduction in expenditure must necessarily be very much less than the reduction of receipts, because a very considerable amount of the expenditure of a railway is fixed and must be incurred whatever the amount of traffic may be. Then, Sir, the Honourable Member went on to say that we must now arrange our budget estimates in such a manner that the actual receipts and expenditure for a year should differ from the estimates not by crores but by lakhs. He insisted that it was possible to rigidly limit expenditure just in the same way as you limit the expenditure on other departments of the Government of India which are not commercial. I do not think it is necessary for me to give any arguments to the House to show the impossibility of accepting any such proposal. Does the Honourable Member know of any business where the manager of the business definitely lays down that the amount of expenditure in connection with the business should be limited to a certain amount of money within a period of twelve months or a period of one month and that that amount of expenditure shall involve the production of a fixed amount of receipts? He must

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surely be aware that it was mainly for the reason that such restrictions had to be imposed when the Railway Budget was incorporated in the General Budget that the separation of the railway finances was insisted on. The Railway Budget can never be a correct estimate of the results which you will get in a year. It is only the best forecast that we can make. I have referred to these points in order to show to the House the line of thought that led the Honourable Member to propose these particular cuts. I may mention that he brought forward this very proposal before the Finance Committee and we discussed it for a much greater length of time than I think this discussion will last in this House. But the Finance Committee were, I am sorry to say, very unsympathetic and turned down his proposals. I think he found only one supporter. The cut that he proposed in the Finance Committee amounted to 81 lakhs. But with his usual accuracy and by applying his statistical mind again to the examination of the figures, he has succeeded in reducing the amount by one lakh. I am sorry, however, that he has extended his statistical researches and has proposed under the next head a cut of 450 lakhs. Now, Sir, in this matter the Honourable Member, I am afraid, has fallen a victim to the statistics which we, unfortunately I think now, printed in our last Administration Report. The new series of statistics were introduced on the recommendation of the Incheape Committee. The Honourable Member has taken each one of these statistics and has proceeded to assume that every railway in India must be run for exactly the same amount, or approximately the same amount of expenditure under every head, no matter what the physical condition of the country may be through which a particular line runs, and no matter what the density of the traffic is on the different railways. Now, Sir, those statistics, some of which we had before, were never intended to be used and cannot be used in the way the Honourable Member proposes. They are very useful statistics for comparing a railway with itself over a series of years, but you cannot apply the statistics quoted by the Honourable Member for the purpose of comparing one railway with another. The only way in which you can use them for comparing one railway with another is to use them in exactly the same way as the Incheape Committee did. If the Honourable Member will refer to the Incheape Committee's Report he will see that they used those statistics in many places, but in a different way from what he does. In paragraph 15 of their Report for example they compared the average miles run per locomotive on each individual line with the average cost of repairs and renewals of locomotives on each individual line in the years 1913-14 and 1922-23 and pointed that although the average miles run per locomotive had considerably increased since 1913-14 the average cost of repairs and renewals per engine in stock had largely increased except on the Bengal Nagpur Railway. That is to say, they took the statistics for 1913-14 and compared them with the statistics for 1922-23, and they said the increase in one set of the statistics on one particular railway as compared with another set was very much higher than the corresponding increase on another railway. But they never meant to say that the amount of expenditure under any particular head ought under any or all circumstances to be the same or uniform throughout India. It is impossible to use the statistics in that manner. I do not know if the House wishes me to go into detail regarding each of the particular statistics.

(Cries of "No.")

Diwan Bahadur T. Rangachariar: Is this the way the matter was examined in the Finance Committee?

Mr. G. G. Sim: It was discussed for two hours in the Finance Committee.

Diwan Bahadur T. Rangachariar: Not in this way with cries of "No, no."

Mr. G. G. Sim: I am afraid I did not take so considerable a part in the discussion as I am taking now, but if the Honourable Member wishes me to analyse some of the statistics quoted by the Honourable Mover . .

Diwan Bahadur T. Rangachariar: I should like to have some explanation on some of the points raised.

Mr. G. G. Sim: For instance, the Honourable Member took the cost of administration on each railway under the head Engineering Department, and he made comparisons on the basis of cost per track mile including sidings. The cost of general superintendence is only one of many items that go to make up the cost of maintenance of way, and it cannot be judged by itself. The Honourable Member has pilloried some railways as having a very high cost of administration under this head. Those particular railways show a large cost under the head of Supervision, but their actual cost of engineering staff, in consequence of that extra supervision, is less than on some other railways that he does not propose to cut. Then again the superintendence required on different railways varies. You want more superintendence on lines that cross large rivers, and lines that have a heavy rainfall, or which are rapidly expanding. Then again the figure for general superintendence per track mile takes no account at all of the amount of work done as measured in gross ton miles per track mile per annum as given in the next column. For instance, the density of traffic on the 5' 6" railways recommended for a cut by the Honourable Member is higher than on the North Western and Oudh and Rohilkhand Railways which he singles out for approbation.

Then, Sir, the Honourable Member worked out the working costs under the head Administration of the locomotive department. He took as a basis the cost of general superintendence per engine mile. Now that figure is a very natural figure to take for comparing the locomotive department of a railway with itself over a series of years but if you are going to compare it with any other railway you must make allowance for many other things than those mentioned by the Honourable Member. You must remember that the larger the type of engine on a railway, the fewer the engine miles run for the same amount of goods hauled, as the trains are heavier and the cost per engine mile is naturally higher. Then you have to take into account the grades on a line; the more grades on a line the smaller the trains have to be, and consequently more engine miles run with a decrease in the cost of superintendence per engine mile. Then again the better the superintendence, the fewer the shunting and other ineffective engine miles run; and if you do put on additional superintendence you will find that reflected in the reduction of expenditure under other heads. The Madras and Southern Mahratta Railway shows the best results of any railway in India in the matter of coal consumption of shunting engines. The coal consumption is lowest on that line. The cost of shed repair and cleaning staff per engine on the line is the lowest on the Assam Bengal Railway of any line in India. Both of these lines show high figures under the head of superintendence.

4 P.M.

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Now, Sir, I had hoped that the Honourable Member would have been satisfied with the discussion that took place in the Finance Committee and would not again have brought forward this motion. There is one further general point that he took up which I should like to refer to, and that was the question of whether the recommendations of the Inchcape Committee had been carried out. Sir, I had always been under the firm belief that in the last Administration Report we had shown that we went much further even than the Inchcape Committee contemplated in the reductions that we have made. The Honourable Member, however, differs as to the figures of the Inchcape Committee itself. If I understood him aright, he said there was a slight arithmetical mistake of 10 crores of rupees in their calculations, that the figure of 64 crores that they recommended the Railway Budget should be fixed at should have been 54 crores, and it is for that reason he now puts forward his proposal for a cut of another 6 crores. What the Inchcape Committee actually said was, to summarise the whole of their proposals, that "the Budget provision for working expenses, including surplus profits, should be limited to 64 crores in 1923-24 subject to a further allowance to meet any increase in traffic." Now, Sir, we cut it down below that figure, and if the Honourable Member wants to compare the figures of the current year's Budget with the figure recommended by the Inchcape Committee, I shall be glad to give him the figure. It is this. Our figures this year add up to 67.7 crores. This includes $3\frac{1}{2}$ crores which is the amount we provide for depreciation over and above the amount we propose to spend on programme revenue, and we only ask for that amount of money in spite of the fact that we are providing for an increase in our receipts of more than 8 crores over and above what the Inchcape Committee contemplated in their recommendation. I hope the House will agree that the work which has been done by the Agents of our Railways and by the Railway Board in enforcing these severe retrenchments instead of calling for a word of censure—much less for so heavy a word of censure like the one contemplated by the Honourable Member—deserves some praise from this House. It is impossible, Sir, that this House itself can imagine that we can carry retrenchment any further. We have already carried it I think in many cases too far. I do not say that that was a bad thing. It was a good thing to enforce retrenchment as far as possible; but we have continuous complaints in this House and elsewhere that we have allowed insufficient money for the repair and upkeep of waiting rooms, carriages, buildings, etc., and it is for that very reason that we have asked the House in this year to provide Rs. 50 lakhs in addition to the usual provision in order to put all these conveniences in decent order.

I hope, Sir, that the House will reject this motion.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadian Urban): Sir, I must congratulate my friend, the Honourable Mr. Rama Aiyangar, on the great pluck and courage he has displayed in coming forward with such detailed proposals as he has done before this House. I must also congratulate him on the great industry and labour he has bestowed upon preparing his case. It is a very difficult task—I quite agree it may not be pleasant for Honourable Members here to listen to details of figures, especially in a big Assembly like this. These matters should have been thoroughly investigated in the Committee itself. I do not find any trace in the proceedings of the Standing Finance Committee that they paid much attention to these matters which they in my opinion deserve.

I shall just put a few points as I gathered from my Honourable friend Mr. Rama Iyengar to see whether the Committee or Mr. Sim has examined those matters on which I lay particular stress. My Honourable friend Mr. Sim said that statistics should not be used for the purpose of comparing one railway with another, but that they should be used only for the purpose of comparing the previous year's working with the present year's working. (Mr. G. G. Sim: "Those particular statistics.") We are now concerned with establishment and establishment alone. Let Honourable Members remember that. The proposed cuts relate only to establishment under various heads. Now, I congratulate myself on the receipt of these monthly reports which give comparative statistics for the working of each railway—I take some trouble to read them and compare the working of one railway with another in order to see which is run extravagantly and which is run economically. I do not know if the Honourable Mr. Sim was a party to this paragraph No. 22 in the Report of the Indian Railways for 1923-24. This is what they say:

"In addition to these, monthly and quarterly statistics are received from the Class I railways. Comparative abstracts from the detailed statements and statistics received throughout the year are circulated to all Class I railways to enable them to compare their own resulting of working with those of other railway systems, and these statistics have in the short time that they have been in use, been of most valuable aid not only to the various railway administrations but also to the Railway Board in indicating where economies can be effected."

Sir, it is in that sense also that I wish to use these statistics. It is in that sense I believe that my Honourable friend, Mr. Rama Iyengar, has used these statistics. Now, I ask in the case of the six railways at page 57, Chapter V, which also came, I take it, under the Inchcape Committee's recommendations, why they show an increase in establishment instead of showing a reduction of establishment, whereas other railways show a reduction in establishment. These six railways are the Assam Bengal, the Bengal Nagpur, the Bengal and North Western, the East Indian, the Burma and the Nizam's Guaranteed Railways. Now I ask, was this question examined? Far from showing a reduction in establishment as other railways have done, these railways show an increase in establishment. Was this question examined in detail by the Standing Finance Committee or by the Finance Department of the Government Railways? So that to give a general answer and say "We have made a general reduction of Rs. 87 lakhs" is no answer to this particular question

Mr. G. G. Sim: May I point out that as regards the cases quoted by the Honourable Member I had just explained the case of the Assam Bengal Railway and I said that the increase in the cost of the Locomotive Department Administration of that railway was accompanied by low costs under another head. I said that the cost of shed repair and cleaning staff per engine on the line is the lowest on the Assam Bengal Railway. These things go together: an increase under one head must be accompanied by a reduction under another.

Diwan Bahadur T. Rangachariar: Therefore, Sir, I hope the Finance Committee made that sort of investigation in respect of these particular complaints. My Honourable friend has proposed reductions and carefully selected these items from these various heads; he has selected certain railways under locomotives; he has selected certain railways under engineering; and he has given reasons for that proposal.

My Honourable friend has not answered those criticisms but he has levelled a general criticism at some of the

[*Diwan Bahadur T. Rangachariar.*]
extravagant assertions made by my Honourable friend upon other matters. The matter with which we are now concerned is establishments, and I want a definite explanation as to this increase on these particular railways. Why should there be this increase? Comparative statistics should not be so lightly ignored. There should be some limit beyond which certain railways should not increase their working expenses. I mean there cannot be a difference ranging between 2 and 7 or 2 and 10. If certain railways can work at 2 rupees per mile why certain other railways should work at 10 rupees requires some explanation and close examination. And I hope these things are being done and I do trust, Sir, that this detailed criticism of my Honourable friend will not be disregarded; on the other hand, they should be received with open arms both by us and by the Finance Department of the Government of India.

Mr. G. G. Sim: I should like to explain to Mr. Rangachariar that that forms one of the main parts of my work. I have not been able to supply the Finance Committee or to anyone else a complete explanation of the reasons why the costs of working are not the same everywhere. I can always give general reasons but it has not been possible yet to work out to an absolute fraction in the way suggested by Mr. Rama Aiyangar the reasons for the exact difference in the cost of different lines. One reason is this: these statistics which the Honourable Member is quoting have only been kept up for twelve months. We had other statistics before and these statistics are the first actual statistics we have up to date. It will be possible in time, I hope, to explain more accurately the reason for the difference in hauling a train, say, up the Ghats at Bombay as compared with the cost of hauling a train on the plains of Madras. But I am quite unable to give the Honourable Member a statement as to why it costs exactly a certain multiple of the Madras figure. But these statistical statements, as the Honourable Member has just pointed out, are sent round to the Agents every month. They are carefully analysed in the Railway Board's office and every figure to which we consider that the Agent's attention should be drawn we send out to him in raised block figures and whenever any member of the Board visits the headquarters of a particular railway the matter is fully inquired into. I want the Honourable Member to understand that I did not for a moment mean to say that you cannot use these statistics when contrasting the increases of expenditure on the different railways. You can. You can use them in exactly the same way as the Inchcape Committee could use them. But my objection to Mr. Rama Aiyangar's proposal is this that what he proposes to do is to hit on an average under particular heads and to insist that no railway in India shall be worked at more than that average. Now, that is an impossible proposition from every point of view. (*Diwan Bahadur T. Rangachariar:* "No one said that."). That is exactly what he did say. That is what we object to. I kept my office working for the last three nights trying to find out how exactly he arrived at these figures. I have got it worked out to the last pie. He took a certain figure in the middle and said now nobody shall exceed it, no matter how high the gradient or how far from the coalfields a railway may be, you must be kept down to these figures. Now, Sir, I appeal to the House that that is not the way to run a railway. (*Diwan Bahadur T. Rangachariar:* "I quite agree.") That is the way to ruin a railway.

Mr. K. O. Neogy: Sir, a reference has been made by the Honourable Mr. Sim to the fact that when this question was brought before the Stand-

ing Finance Committee on Railways, my Honourable friend Mr. Rama Aiyangar did not get much support. I should like to point out to the House that the Standing Committee for Railways met only for four days, and worked on an average for about 2 hours or 2½ hours every day, that is to say, we had not more than 8 or 9 hours to devote to this entire Budget; and it is rather unfair to conclude, as Mr. Sim has done, from the vote of the Finance Committee on this particular matter, that the Committee were in a position to examine this question in as great detail as my Honourable friend Mr. Rama Aiyangar wants us to do. As a matter of fact, Mr. Rama Aiyangar himself had not the time to place the entire case before the Committee nor had we the time to hear him out.

Mr. G. G. Sim: I think the Honourable Member himself moved the closure.

Mr. K. C. Neogy: I did not. (*A Voice:* "You did"—referring to Mr. Sim.) I am quite willing now to sit down along with Mr. Sim and other members of the Committee to examine all the arguments that Mr. Rama Aiyangar has advanced to-day in support of this proposition.

The Honourable Sir Charles Innes: It seems to me, Sir, that Mr. Neogy has hit upon the right solution of this question. Mr. Neogy has explained that they tried to consider Mr. Rama Aiyangar's suggestions in the Standing Finance Committee, they discussed it for two hours and they found that they could not be supported. Mr. Neogy made it perfectly clear that he did not think that the proposals had been sufficiently considered. Well, Sir, it is always much easier to consider proposals of this kind when you have got 8 or 10 men sitting round a table, and if the Standing Finance Committee in the course of two hours were unable to understand Mr. Rama Aiyangar's proposed methods of cutting down railway expenditure, it seems to me even more impossible that this Assembly, in the short space of one hour, could understand what Mr. Rama Aiyangar was driving at. I fully recognise—we all fully recognise on this side of the House—that Mr. Rama Aiyangar does pay the very greatest attention to the Railway Budget and does work very hard on it. I am greatly obliged to him for so doing. It seems to me that the proper way for us to deal with this matter is this. We in the Railway Board will have a careful critical analysis made of Mr. Rama Aiyangar's method and we will have that critical analysis placed before the Railway Finance Committee. I have not the slightest doubt myself that we should be able to establish our point of view as against that of Mr. Rama Aiyangar. But it seems to me that that is the proper way to deal with this matter, and on that understanding I hope that Mr. Rama Aiyangar will not press his proposal.

Mr. K. Rama Aiyangar: Sir, I hope you will permit me to reply to the points raised by my Honourable friend. My friend Mr. Sim quoted the Acworth Committee for what I have said about the Retrenchment Committee. That seems to be a clever method of meeting me.

Mr. President: Order, order. If I allow the Honourable Member to continue the debate, then the debate must be continued by others. A new situation is created by the suggestion made by the Honourable the Commerce Member, and if the Honourable Member accepts it, there is no use of continuing the debate. (*Voices:* "Withdraw.")

Mr. K. Rama Aiyangar: I cannot. The whole statement is not correct. When I took up this question in the Finance Committee, in a minute everybody said he had not got the books in time or he had not studied the books, and then it was closed. The Honourable Mr. Sim says they gave two hours' attention to it and that at last they came to that conclusion. On the other hand, they left a note that they had no time to consider the matter in detail regarding each railway and that they would take objection whenever they saw fit later. I think the note shows that. It is said now in the House that it was considered and that there was a two hours' discussion. I really am sorry. If my Honourable friend has been working at it for five days and has not been able to trace it, it is not my fault.

Mr. Darcy Lindsay: I move that the question be now put.

Mr. President: I only pointed out to the Honourable Member that a proposal had been made by the Honourable the Commerce Member and that if it is the Honourable Member's intention to accept it, then there was no use wasting the time of the House by going on with the debate. If he continues to believe that this is the right place for discussing these matters, he is perfectly entitled to do so.

Mr. K. Rama Aiyangar: All the Members of the Finance Committee are here. Let them decide it.

The Honourable Sir Basil Blackett: Sir, may I add one more plea to the Honourable Member to withdraw this proposal? The proposal is that the total should be cut by Rs. 80 lakhs. These estimates represent the best estimate in the time available of the amount that is expected to be required to meet this expenditure. If Rs. 80 lakhs is cut off that, it does not alter the fact that for the time being at any rate, until they are further convinced of the advisability of accepting such a large cut, Government must estimate their expenditure at the amount including the Rs. 80 lakhs. If the House makes a cut of this sort it cannot, if we are correct in our point of view, cause the expenditure on the railways to go down by Rs. 80 lakhs. These are estimates and they are the best estimates that we can frame. We have suggested to the House that the arguments which have been put forward by Mr. Rama Aiyangar should be fully examined by the Railway Standing Finance Committee after being examined by the Railway Financial Commissioner and his staff and explanations given, and I am sure I can speak on behalf of the Railway Department when I say that, if the Railway Department is convinced that these Rs. 80 lakhs or any part thereof can be saved during this year, they will save every rupee of it. (A voice: "Accept the cut.") The Government cannot accept the cut. If they accept the cut they are simply putting themselves in the position of either pretending that the estimate of their expenditure during this year will be Rs. 80 lakhs less than they are honestly convinced it will be, or they must necessarily consider, what they are most anxious not to, the possibility of other steps to validate the expenditure. I do appeal to Mr. Rama Aiyangar in these circumstances to withdraw his motion.

Mr. K. Rama Aiyangar: I will leave it to the House to permit me to withdraw.

Mr. President: The Honourable Member must ask leave to withdraw the motion.

Mr. K. Rama Aiyangar: I ask leave to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Pandit Motilal Nehru: May I ask, Sir, why the motion has not been put?

Mr. President: The Honourable Member does not seem to be aware that when leave is asked to withdraw a motion, unless it is objected to, the motion is automatically withdrawn.

Pandit Motilal Nehru: I did say "No" when leave was asked.

Mr. President: I must regret I did not hear that. When I put the request for leave to withdraw, the Honourable Member did not rise in his place in order to say "No," otherwise I should have seen him and the matter would have gone to a division. Where leave is refused, then the decision on the motion must rest with the House. But where leave is not refused the reduction proposed is automatically withdrawn.

Pandit Motilal Nehru: I did say "No" when the question was put.

Mr. President: I am very sorry that I did not hear the Honourable Member.

RECOMMENDATIONS OF THE LEE COMMISSION.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): I beg to move that the Demand under the head "Working Expenses: Administration" be reduced by Rs. 37 lakhs with reference to the recommendations of the Lee Commission.

Mr. President: Motion moved:

"That the Demand under the head 'Working Expenses: Administration', be reduced by Rs. 37 lakhs."

The Honourable Sir Charles Innes: I have an offer to make to the House in regard to this motion. As I have explained in my budget speech, this question of whether or not the Lee Commission's concessions should be extended to the officers of the East Indian Railway and the Great Indian Peninsula Railway and of other Company railways has not yet been finally decided by the Government of India. In fact, it has not been placed before the Governor General in Council. That being so, I personally am in a very difficult position because, as I said, I speak as the representative of the Government of India, and if this motion were discussed, then, as I could not speak on behalf of the Government of India, I could not speak at all. That being so, if my Honourable friend Mr. Kelkar will withdraw his motion I on my part am prepared to withdraw this provision from the Budget. When the question has been settled by the Government of India, then if necessary I will come up with a Supplementary Demand for Grant in the September session and I undertake that we will not actually give these concessions to any of these officers until the House has had an opportunity of discussing them. The only thing that I have got to make clear is that, if the matter is held up in this way, we may have, if we wish to give the concessions, to give them with retrospective effect in the same way as we gave them to the other officers with retrospective effect. In these circumstances I hope that Mr. Kelkar will withdraw his motion on the understanding that we will cut this provision out of the Budget.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban): So far as I have been able to understand my friend the Honourable Sir Charles Innes, he is prepared, in fact he has offered, to withdraw this item from the Budget. When that is done there is nothing more to be said about it and the motion made by my friend Mr. Kelkar falls to the ground. The Demand, I understand, is withdrawn so far as it relates to this item. The Demand includes this item which forms the subject of the motion of my friend Mr. Kelkar and the idea as I understand is that the Demand to that extent be withdrawn, to be put up again before this House in the form of a supplementary demand later on when it is ripe to be considered by this House after being sanctioned by the Government of India. It will then be time of course to take any objection which may arise on the merits.

The Honourable Sir Charles Innes: If my proposal is accepted, I suggest to you, Sir, that you will subtract 37 lakhs from the demand under this head.

Pandit Motilal Nehru: What I meant is this. If the demand itself is withdrawn, then there is nothing for us to quarrel about or to vote upon.

Mr. President: It is impossible for me to put the question except in the form proposed by Mr. Kelkar; and I gather from the speech of the Honourable the Commerce Member that my Honourable friend, the Pandit, will have a unique opportunity of voting with the Government.

Mr. A. Rangaswami Iyengar: On a point of information from the Honourable the Commerce Member, I want to know whether, when he said, "if necessary," he meant that there will be a Supplementary Demand put forward, or whether by "if necessary" he meant that when the Government have decided upon giving them these extra allowances, whether they are going to make them votable or non-votable.

The Honourable Sir Charles Innes: What I meant by "if necessary" is "when a decision has been arrived at". If the decision of the Governor General in Council is in favour of these concessions, then we shall have to come before the House with a demand for a supplementary grant. That is all I meant.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): *I want to make it clear that the offer of Sir Charles Innes is made with a certain statement, first, whether these concessions should be given at all and, secondly, whether they should have a retrospective effect. This House is no party to that, and therefore I do not see what is the difference, provided it is not understood that we are a party to any of the reasons stated by Sir Charles Innes.

The Honourable Sir Charles Innes: I do not suggest that at all.

Mr. M. A. Jinnah: It really comes to this, that Sir Charles Innes accepts the motion of Mr. Kelkar.

Mr. President: The question is:

"That the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 37 lakhs."

The motion was adopted.

* Not corrected by the Honourable Member.

INDIANISATION OF THE HIGHER RAILWAY SERVICES.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): I thank you for giving me this opportunity of having my say on the demand respecting the general administration. I may assure the House at once that I am not going to display those intricacies in respect of statistics and statistical knowledge with which my friend the Honourable Mr. Rama Aiyangar has been able to confound the House a little while ago. I will confine my remarks to a few general observations and considerations which have led me to criticise the Demand under this motion, and desire to cut it by Rs. 20,00,000. I wish this to be made for two reasons: firstly, as I hope to be able to show, to bring about effective Indianization in the higher services of the railway administration; and secondly, to bring about some greater retrenchment than it has been possible perhaps to get in the last year. And before I go further, Sir, I consider it very desirable that I should point out how in this matter most of us who on this side of the House have got this difficulty; we have to make general observations with respect to railway administration as with respect to every other Department of the general administration; and often times of course we have got to make very unpleasant observations; but they are not intended, and I hope they are not taken to be intended, as any reflection against any Honourable Members, who are responsible for these things. For instance, when we say that the railway administration has been during the past many years purely run by what may be called foreign exploiters, that it has not been a national concern, we do not mean to cast any reflection upon those who are now responsible to the House for placing this Budget before us. We refer only to an historical fact. The Railways in their origin and in their objective, in their methods of work have not been national up to date, and are not even to-day national; they may in the course of time become national; and then of course we shall withdraw that remark. I said that, if we had had this as a national concern, and if this House had been able to go year by year into the details and had exercised some kind of check by the representatives of the people, it would be more easy to see how exactly all these various items of reform and retrenchment could be brought about. As it is, we find that the railway administration up to date has been marked by a great deal of what we think, and what we have very good reason to think, to be racial discrimination. The Honourable the Commerce Member in his opening speech referred to it, and said that attempts are being made to Indianize the services. I am glad to hear that, but I must state that so far as the progress made up to date is concerned, it has not been satisfactory.

Mr. G. G. Sim: May I ask if the Honourable Member is in order? I think there are two other motions on Indianization.

Mr. President: I will explain the position. My difficulty which I proposed to get over by not calling the Honourable Member, was that he had given no indication of the subject he proposed to discuss. But I had down as the next either all the motions relating to the unsatisfactory arrangements for passenger traffic, or the one in the name of five Honourable Members, who are working together, on Indianization. If the Honourable Member now chooses to move his reduction of 20 lakhs of rupees with Indianization as the basis for the reduction, then those motions, namely, Nos. 58 to 60, possibly 61 and 62 and 70 I think had better all be taken with his.

Mr. M. K. Acharya: I said, Sir, it was partly for retrenchment.

Mr. President: Retrenchment we have disposed of. The Honourable Member heard a speech for nearly an hour on that.

Mr. M. K. Acharya: Yes, Sir, regarding a reduction of 80 lakhs, but a reduction of 20 lakhs may now be moved.

Mr. President: Not on the basis of the decision made. The motion for reduction in the name of Mr. K. Rama Aiyangar was withdrawn on the distinct understanding that these proposals would be placed before the Standing Finance Committee for discussion, and on that understanding I do not think I can allow the debate to proceed any further here. The Honourable Member might make his motion for a reduction of 20 lakhs on the basis of Indianization, not Indianization of the Railway Board but of the railway services.

Mr. M. K. Acharya: I do not understand your decision, Sir.

Mr. President: This is precisely the difficulty we get if Honourable Members do not indicate in their motions for reduction what they want to discuss. I ignored the Honourable Member because of that. When he challenged me, I gave him his right, and when I asked him what he wanted to discuss, he told me "retrenchment and Indianization". Retrenchment is out of order. Indianization is in order. He is entitled to discuss Indianization.

Mr. V. J. Patel: Then No. 43, which deals with a cut of Rs. 2 lakhs under the head of London Board's establishments, is also out of order?

Mr. President: The way it has been printed is purely an accident; it comes in front, but it ought really to come in below.

Mr. M. K. Acharya: I thank you, Sir, for your last ruling. That is just the point I was trying to elaborate, what I consider and what many of us consider to be racial discrimination in the administration of the Railway Department when this interruption came in. It is said that a greater number of Indians are not employed in the railway administration chiefly because a larger number are not found competent, that it will take a certain number of years, and that when more and more Indians become fit, they will rise to the higher places in the railway administration, or at any rate will certainly be given their chance. Here I have got some figures from the statistics appended to the statements in the explanatory memorandum and referred to in the opening speech of the Commerce Member also, namely, that 310 is the present number of Indians in the higher posts of the Railways. Now the total number is very roughly 1,800, and there has been last year an increase from about 280 to 310, that is, an increase of 30. The total number is 1,800. Supposing we take the standard which was laid down by the Public Services Commission ten years ago that fifty per cent. of these places should be given to Indians, in order to get up to 900 at the rate of thirty a year, it will take us 20 years. Well that in the opinion of most of us will be an unduly long period. We, therefore, want that this process of Indianization should be accelerated. We desire that if possible within the next few years Indians must come to hold at least fifty per cent. of the gazetted officers' places in the various administrations. Let me take the next class, namely, of superior railway subordinates which is given in the statement No. 2. Roughly speaking, there are about 8,000 higher paid subordinate staff employed on the Railways, of whom Indians are 1,929. I would take the figure at say 2,000 Indians.

New, during the last year there were about one hundred entertained in this class. If you are to go on at that rate to 50 per cent., if you are to get even 2,000 more at the rate of 100 per year, it will take us 20 years more. Here again, namely, for Indians in the class of the higher-paid subordinate staff, to get 50 per cent. of the total places in that class it will take 20 years. In the case of the gazetted staff it will take 20 years, and in the case of the subordinate staff also it will take 20 years. Of course you may include the 7 lakhs and odd men who are all Indians; it is no great relief to know that these who get wages ranging from Rs. 7 to Rs. 100 and odd—that these as a matter of course are Indians. Now I wish to have the vote of this House on this point as to whether this is a fair rate of advance—at the rate of thirty Indians a year in the gazetted ranks; whether the rate of one hundred a year in the higher-paid subordinate staff is also a fair rate of advance. And what is the argument advanced against us? That not more Indians are found to be fit. Here I have some figures which I have taken from the Classified List of State Railways. Let me for a moment examine these figures. Here is the Engineering Department relating to the 2nd class of higher paid subordinate staff. Out of 241 here 120 are Indians and 121 are non-Indians; so that with respect to the Subordinate Staff in the Engineering Department, I, for one, should not at this moment have any grievance. Why? It is because that in the Engineering Department there is an examination test. Anybody through patronage alone cannot become an overseer or a sub-engineer. Wherever indeed there is an examination, wherever there is the question of fitness and capacity tested by open examination, there the Indian holds his own. It is thus he has got already his due share of 120 out of 241 in the Engineering Department. Take the Traffic Department on the other hand. Out of 466, I am talking of the three State Railways, according to the Classified List for 1923-24, which was in my hands,—out of 466 places, 66—only 66—were Indians and 400 were non-Indians. Here I think is the most emphatic indication, the strongest proof, that where it is not a matter of examination, where it is not a matter of education test, where it is only a vague assertion of who is fit and who is not fit, untested, uncorroborated, by any other qualification externally, the Indian is not preferred. In such cases it is a question of patronage and the patronage goes to the non-Indian.

Mr. W. M. Hussanally: Does the Honourable Member forget that the Non-Indian possesses hereditary aptitude?

Mr. M. K. Acharya: Yes, I will come to that. In the Locomotive Department, there are 9 Indians and 190 non-Indians. In the Medical Department, where again nobody can become a medical man without some sort of training, some sort of qualification, some sort of fitness, there are 7 Indians out of 35. There also it is not so bad, because Indians are at least one-fifth in the Medical Department. But in the Locomotive Department and in the Traffic Department, the Indian does not find adequate place, because there is no educational test, there is no other test than the test of patronage; and in the Department of Carriage and Wagons and Stores, out of 347, 51 are Indians and 296 are non-Indians, which can only be justified by the plea, as my friend reminds me, of heredity. All this is justified by the plea of heredity. I do not know how long Anglo-Indians have been on the stage of the world, for 200 or 300 years; and whether 200 years will produce such a great instinctive capacity to do certain things in life. This is Darwinism with a vengeance!

Mr. Bipin Chandra Pal: I want to know if the Honourable Member by the term Indians includes Anglo-Indians also or non-Anglo-Indian Indians.

Mr. M. K. Acharya: So far I have referred to Anglo-Indians separately and the Mussalmans and others separately, the Indian as apart from the Anglo-Indian; in fact in these lower grades, of which I am speaking, I do not believe there are many Europeans, perhaps

Mr. C. D. M. Hindley: May I ask the Honourable Member where he got the figures he is reading from? I do not know what he is reading.

Mr. M. K. Acharya: From the Classified List for 1923-24.

Mr. C. D. M. Hindley: Has the Honourable Member separated the number of Indians from Anglo-Indians in those figures?

Mr. M. K. Acharya: Yes, I have; very roughly they correspond to what is given here in the table. These all come under the 1,929 in table 2, namely, the statement of higher paid subordinate staff of State-worked Railways. We find the total in Column 7, under the heads of Europeans, Anglo-Indians, Mussalmans, non-Mussalmans. This is the classification in the official Table. Europeans, Anglo-Indians, Mussalmans and Non-Mussalmans. Out of 7,821 for 1924, we find 2,921 are Europeans, 2,971 are Anglo-Indians, 234 Mussalmans and 1,695 other Indians who are not Mussalmans, or 1,929 Indians. I have put it roughly at 2,000; I have been charitable enough to put it at 2,000, that is, 2,000 for all the State Railways, namely, the three State Railways for which there is the Classified List maintained for 1923-24; and I spent two or three days to note down the number under each head. I could not make out the difference as to how many were Europeans and how many were Anglo-Indians from the names. From the names certainly I could find out how many Mussalmans there were and how many other Indians there were. From that list I find that this is about the average. It may be quite possible for a hyper-critic to say that where I have said 241, it really is 247 and where I have said 130 it might be 135, and so on! I was looking into, as I said, the Classified List of 1923-24. The Classified List of 1924-25 may give figures which may be slightly more or less than the previous lists but I do believe that the average is going to be about the same. My contention is that these figures amply eloquently prove that undue preference and patronage has been given to Anglo-Indians; and this is sought to be justified by the fanciful theory of racial or hereditary aptitude! But in the name of sanity I ask what is all this theory of special heredity with respect to a community which has only been in existence for 200 years. The whole thing is this, that as regards these people there is no examination test at all. It is only a question of recruiting people on sheer favouritism. The department has been taking lot of Anglo-Indians and a lot of Europeans, as a matter of favour, without any rigid test at all, into the Traffic, Locomotive, Carriage and other Departments. That is one of the conclusions to which I have come from the scrutiny of the facts and figures before us.

Secondly, Sir, I wish to point out that some attempt was made, some years ago, for instance, on the North-Western Railway to induce some graduates who were to join. I am told an attempt was made in 1918 as well as in 1920 to induce some graduates to join. Ten graduates joined in one year and six of them left out of sheer disgust after two years because they were not preferred in the manner that they ought to have been preferred or in the manner that Anglo-

Indians recruited at the same time have been preferred. I have got here some of their names even. For instance, out of the men who got into the service almost at the same time, the Indians were kept down on Rs. 75, Rs. 100 or Rs. 175, whereas the Anglo-Indians and Europeans have risen. There is one Anglo-Indian who was appointed in 1918 on Rs. 150; he is now drawing Rs. 550. Another Anglo-Indian was appointed on Rs. 150; he is now drawing Rs. 350. Another was appointed in 1919 on Rs. 150; he is now drawing Rs. 550. Another, who was appointed in 1923, is now drawing Rs. 310. Out of the Indians who were taken on Rs. 75 or Rs. 100 and who were all B. A.'s some of them being L.L.B.'s, six left in disgust and the remaining 8 or 10 are drawing only between Rs. 100 or Rs. 175. These are the concrete instances which will go to show that the encouragement given to pure Indians has not been adequate at all. There are 1,800 officers who are holding posts of gazetted rank; and there are some 8,000 who are in the rank of higher paid subordinates. Out of these there are only 310 and 2,000 Indians respectively. My concrete suggestion is this, and that is how I have come to the figure of 20 lakhs. I have been carefully looking into the Classified Lists. I find that there are a good many officers, at least 50, who belong to the higher ranks of the State Railways alone who have put in more than 31 years service. They entered the department, I think, before 1893 and they have put in 31 years service and are more than 55 years of age. They are all kept on whether there has been work for them or not. As you will presently see, their number has been increasing from year to year. There has been very little reduction in the number of highly paid officers during the past three or four years or perhaps during the last 10 years. On the other hand, their number is always increasing. The number of Indians however has not increased in the same way. My suggestion therefore is that those who have put in 30 and more years of service would have to be told in the most respectful language that they had better go away and make room for others who are waiting for their promotion; and that in these vacancies Indians ought to be put in at once. That is one point. I find from the budget estimate that is put before us that you want 45 lakhs more under the first 11 or 12 headings. You want 2 lakhs more for Agency alone over and above last year's revised budget. You want 15 lakhs more for Engineering, 11 lakhs more for Traffic. All this is over and above the revised estimates of last year. Altogether an increase of 45 lakhs is asked for this year over the revised estimate of last year. Why should we not have a cut of at least 20 lakhs, retrenchment to this extent in the superior grades, so that more Indians may be taken in in the lower rungs of the ladder. I wish that this old cry, this old and righteous cry about Indians not being preferred may at least now, when the Railway Budget is for the first time being separately discussed in this House, may now at last be satisfied and this great and long-standing grievance may be rectified. We want more Indians I repeat, and we want the huge difference between the superior and the inferior ranks to be bridged. It cannot but be a matter which goes to the heart of every Indian that the difference between the lowest salary in the railway and the highest salary is something horrible. Rs. 7 is the lowest salary given on the railway. Rs. 3,500 is the highest. The proportion is 1 to 500. This must be reduced. But, Sir, as you have ruled this is out of order I shall not go into it; I admit it would come more rightly under the head of retrenchment or under economy; but I have the figures of a number of railways of almost all countries excepting England; and in these the proportions are 1 to 21, 1 to 32 and so on, never 1 to 500.

[Mr. M. K. Acharya.]

And, lastly, Sir, before I sit down I must refer to the horrid official statement of how economy was effected last year. 83 lakhs was cut off last year under establishment we read on page 26 of the Railway Board's Report for 1923-24. Vol. I. Who were the persons reduced? Not the highly paid officers, their number has gone up. Not the second class subordinate staff; their number has gone up also. Who then were reduced? The poor Indians on salaries of Rs. 7 to Rs. 100, they have been reduced, these were the poor men who were either sent out or whose salaries were cut! I read from page 27 of Vol. I of the Railway Board's Report for 1923-24. The report says:

"The charges in connection with station masters, clerks, porters, pointsmen, gate-keepers, signal men, station servants, etc., were reduced from 112 to 95 lakhs, that is to say, by 17 lakhs". The expenditure on Guards was "reduced from 17½ to 15½ lakhs," and so on.

These were the persons sent away. The retrenchment was not in the higher paid staff not in the gazetted officers, but in respect of signal men, porters, pointsmen, these were sent away and 17 lakhs of retrenchment effected; other poor men were sent away and 83 lakhs altogether was cut down. All this wonderful narration finds place on page 27 of the Board's Report. Sir, I cannot help being struck aghast at this kind of economy, at this kind of Indianisation. So many thousands of poor fellows are sent away, and on the other hand demands are made for the comforts of the higher grade officers. I have almost a mind to repeat the Biblical saying though it was used in a different sense of old, that to him that hath more is given and from him that hath not is taken away even that which he hath. I therefore appeal to this House in order to put in more Indians, in order to Indianise the Railway Department properly, to see that some of those who are superannuated are sent away and reduction made in the proper place. Indeed this House will fail to do its duty if it does not on this occasion make such an emphatic if not substantial cut as to show the determination of this House that Indians shall find their due share in the administration of the Railway Department.

Khan Bahadur W. M. Hussanally (Sind: Muhammadan Rural): Sir, the grievance which has just now been voiced by my friend on my right is perhaps as old as myself. It has been brought forward here several times and promises have been made from time to time that Indianisation will be had recourse to on the Railways in India at a more rapid pace, but the other day the cat was out of the bag, and the Honourable the Commerce Member said that the Anglo-Indian had a hereditary capacity for work on the Railways. My Honourable friend Mr. Kelkar thereupon put a very pertinent question which perhaps nobody took notice of and it was not answered. (Mr. K. Ahmed: "Then why did you take notice?") So far as the hereditary capacity or capability of Anglo-Indians is concerned for work on the Railways it may be safely doubted. For one reason if for no other; the offices and positions enjoyed by these men as a rule are not such as require any long hours or tedious hours of duty without food and without rest. They are generally station masters, carriage examiners, guards on mail trains and passenger trains (but not goods trains) and the like who have got fixed hours of duty. Guards and drivers on mail trains and passenger trains, as we are all aware, have got fixed

hours, so that they run from one point to another, do duty for 6, 7 or 8 hours and off they go. But a poor Indian guard has to run very slow and perhaps is detained on the way for a number of times and he reaches his destination far beyond his time. As soon as he reaches there, perhaps after 10 or 12 hours duty, he is booked out again within a couple of hours, or 3 or 4 hours, or say even 6 hours. Can it be said that this poor devil has had sufficient rest and food before going out again? How then can these Anglo-Indians be said to have a hereditary aptitude for this kind of work? May I ask if the Anglo-Indian is of a different make than an Indian? If not, why should he have a different capacity for work than an Indian? As a matter of fact there are thousands of Indian guards, drivers and station masters working on Indian railways. They have been working well. No complaint has been made with regard to their capacity for work. Why then should an Anglo-Indian be preferred to an Indian? These poor devils of Indians get very small pay. An Indian guard will get only Rs. 50 or Rs. 60 to start on and will perhaps after about 20 years' service have hardly risen to Rs. 100 or Rs. 125, whereas a raw youth of an Anglo-Indian or European will commence on Rs. 75, Rs. 80 or Rs. 100, and by the time he has put in about 5 years' service he has gone up to Rs. 200 or Rs. 300. These are grievances, Sir, which must be remedied and, unless a distinct promise is made that Indianisation of all these services on the Railways is to proceed much more rapidly than it has done in the past, I think the House will do well to pass a vote of censure by carrying this motion

The Honourable Sir Charles Innes (Member for Railways and Commerce): Twenty lakhs!

Khan Bahadur W. M. Hussanally: I beg your pardon. Oh no, no. If it is permitted I would propose an amendment of only Rs. 100, or if there is another amendment of Rs. 100 I will be content with that.

The Honourable Sir Charles Innes: Move an amendment.

Khan Bahadur W. M. Hussanally: If it is not to be moved by somebody else, will it be permissible, Sir, for me to move a formal amendment of Rs. 100? Then I move it.

Mr. President: Further amendment moved:

"To substitute Rs. 100 for Rs. 20,00,000."

The question I have to put is that amendment be made.

The motion was adopted.

Mr. President: The question is:

"That the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 100."

Dr. K. G. Lohokare (Bombay Central Division: Non-Muhammadan Rural): Sir, I should at the same time merge my amendments
5 P.M. Nos. 76 and 52 in this and draw the attention of the House to the recruitment to the Medical Department

Mr. President: The Honourable Member must know that we are now discussing Indianisation.

Dr. K. G. Lohokare: I am going to speak on that point only. It was with that motive that I put down an amendment, No. 76, about district medical officers

Mr. President: The Honourable Member has put down two amendments, one of which relates to provident fund and gratuities and the other to leave rules and medical certificates, which seem to me quite a different thing from Indianisation.

Dr. K. G. Lohokare: No. 76, Sir, and not No. 78? Recruitment of district officers?

Mr. President: That is also in the Medical Department.

Dr. K. G. Lohokare: I think I move that with a view to suggest Indianisation of that department.

Mr. President: The Honourable Member has already got before him a reduction of Rs. 100 in order to draw attention to the question of Indianisation; the Honourable Member is perfectly at liberty to discuss Indianisation of the Medical Department if he wishes to do so, but we are now discussing the wider question.

Dr. K. G. Lohokare: I will simply speak on the question of Indianisation. The only thing that I have to draw attention to in these Railways, Company-managed and State-managed, is that the superior posts are always given to persons from outside. The profession in India is so much overdone here that the best medical graduates with first rate qualifications are employed on Rs. 200-250, while the district medical officers that the Railways have been employing on Rs. 700 or more are imported from outside—possibly persons of even lower qualifications than what are available in India. If you refer to the lists, Sir, you will find here that the latest recruits to the Great Indian Peninsula Railway are L. R. C. P's, and M. R. C. S's; and if you compare these with men who have fine careers and Indian University qualifications, I think both stand at least an equal chance. But even when there are Indians with foreign qualifications they are not taken notice of, while these persons are recruited directly from England. It is not only in the Great Indian Peninsula Railway but even in the East Indian Railway and even in the North Western Railway that this sort of thing goes on. Let me refer to the list of the North Western Railway. At page 85 of the Classified List we find that the latest recruits are from the Indian Medical Department and are put in the grade of Rs. 200-700, while Indians even with L. R. C. P. qualifications are put in the grade of Rs. 200-450. I do not know what explanation the railway management can give in this case. The Indian Medical Department is acknowledged to be inferior to University qualifications; still these men are put on Rs. 200-700. I find these entries:

.....Indian Medical Department, appointed on the 24th January 1924.

.....Indian Medical Department, appointed on the 18th January 1924.

.....Indian Medical Department, appointed in April, 1920.

All these appointments are from Rs. 200 to Rs. 700, while the Indians appointed on the same days are in the grade of Rs. 150-300 or Rs. 200-450. When it is once known that the Indian Medical Department qualification is less than the Indian qualification I do not know what justification the Railway Department has for giving these men appointments in the higher

grade leaving Indians who are properly qualified aside. I wish that the Railway Department, just as in the Engineering and other Departments of Government, should lay down a certain percentage of recruitment from the Indian University men. Government have accepted the principle of taking engineering and other graduates for the Engineering and other transferred Departments and Indianising the service almost up to 75 per cent. Similarly, here, when people are available, when properly qualified persons are available, when Indian medical professional people are almost striving hard for a livelihood in many cases, because there is no scope for them, even England-returned people do not get as much practice as they used to get formerly on account of the overcrowding of the profession,—yet we find here that persons from outside, persons of even less qualification than the Indian degree holders are imported on higher salaries. I should make it really a great concern of the House to lay down that a certain percentage of Indians, as far as 75, if not more, should be laid down for recruitment to the district medical officers on all Indian Railways. (*Dewan Bahadur T. Rangachariar*: “He has done that already”).

Mr. T. C. Goswami (Calcutta Suburbs: Non-Muhammadan Urban): Mr. President, I have only a few words to say. Even if my words may not be important in themselves, the subject is one which needs to be especially emphasised in this House. As I was hearing the congratulations that were being showered on the Commerce Member on his Railway Budget speech I felt I could congratulate him on at least one thing—namely, window-dressing, especially in the paragraph on Indianisation in the speech which he delivered some days back. I read on page 8. The Honourable the Commerce Member said:

“These statements show that in the twelve months ending October 1924 the number of Indians in superior appointments rose from 280 to 310, . . . etc.”

Well, Sir, it is not very difficult to juggle with figures. The Honourable the Commerce Member has presented us with a railway budget. I am prepared, Sir, to present him with my own railway budget especially in regard to Indianisation, and this budget, I can assure him, has been prepared entirely from publications of the Railway Department. I will not, Sir, deluge you with figures, as I do not propose to emulate a certain Honourable Member of this House. (*Mr. Darcy Lindsay*: “Place them on the table”). But I should like to draw the attention of the House to certain calculations which I have made from statistics supplied officially. (*Mr. K. Ahmed*: “You have not given us a copy”). I take the figures from the Classified List of Establishments for the State Railways, published by the Railway Board, corrected up to the 31st June 1924; and I find that on the North Western Railway only 8·4 per cent. of posts between Rs. 200 and Rs. 750 per month are held by Indians, and also that only 4 per cent. of the total amount paid in salaries are received by Indians. Taking the Eastern Bengal Railway and the Oudh and Rohilkhand Railway together, I calculate that, altogether, about 7·9 per cent. of the posts between Rs. 270 and Rs. 750 are held by Indians, and that 3·2 per cent. of the money altogether received as salaries between these two figures are taken by Indians. I have got here numerous other figures, but I do not think I shall take up the time of the House in reading out these figures. (*A Voice*: “Place them upon the table.”) If the Honourable the Commerce Member wishes, I shall make a present of them to him. I should like to say one word, Mark this, I have not dealt with posts

[Mr. T. C. Goswami.]

carrying salaries above Rs. 750, where Indian percentages dwindle to mere fractions of unity, I agree with Government that the separation of the railway finance from the general finance may bring good, and may improve traffic convenience and confer other administrative benefits. I must at the same time point out very strongly that no good can result unless the separation of the railway finance is worked *bona fide*. I know that in the Railways the coolies and the lower grade clerks are Indianised, for, I suppose that could not be helped; and men who would be little better than porters in England have in many instances been given lucrative posts in supersession of Indians.

There is another point to which I should like to refer, and that is with regard to the so-called "hereditary aptitude" of the Anglo-Indians for railway employment. Now, Sir, I have no quarrel with the Anglo-Indians. There is absolutely no racial motive in any remarks that I wish to make on this subject. But I think it was distinctly improper for the Commerce Member to have made the remarks that he has made on page 8 of his speech. This is a statement which is almost open to ridicule. My Honourable colleague on my left, Diwan Chaman Lall, read out the other day a quotation from an official letter stating that Europeans had in their blood mechanical training. Sir, if it is suggested that in the blood of members of any particular community there are toy engines or toy wagons I think that is a very serious form of physiological disorder. The argument is ridiculous.

I would again urge on the Railway Member that unless the Separation is worked honestly and not merely with a view to an autocratic rule in the Railways, I think the Assembly will have to take serious notice of everything that is done, and keep a watchful eye.

The Honourable Sir Charles Innes: Sir, for the last 26 years I have tried to do my duty honestly by India and I do not think that a Member of this House, who as far as I know is at any rate not nearly as old as I am, should take upon himself to suggest that I am dishonest either in my motives or in my actions. I should have thought, Sir, that it was unnecessary for any Honourable Member to make an appeal to me to do anything honestly. I do not propose to say very much on this proposal. I am very glad

Pandit Motilal Nehru: I did not understand the Honourable Member (Mr. T. C. Goswami) to make any allegations against Sir Charles Innes personally.

The Honourable Sir Charles Innes: If Mr. Goswami will explain what he really meant when he appealed to me to work honestly, I am perfectly prepared to accept it.

Mr. T. C. Goswami: So far as Sir Charles Innes is concerned, I am perfectly willing to make the statement he wants me to make. I never implied anything about his motives, and nothing against him or Mr. Hindley personally. But I certainly say that the Railway Administration, which does not consist merely of Sir Charles Innes or even of Mr. Hindley, should work honestly this very important matter in which they have recently got so much more freedom.

The Honourable Sir Charles Innes: I was glad to see, Sir, that Mr. Hussanally proposed that this cut should be reduced from Rs. 20 lakhs to Rs. 100. I must say that I should not have liked it had the House made a cut of Rs. 20 lakhs on the grounds put forward by the Honourable Mr. Acharya.

Mr. M. K. Acharya: I originally moved a reduction of Rs. 20 lakhs, but when you gave me your ruling, Sir, I accepted the reduction to Rs. 100 for discussing Indianisation.

The Honourable Sir Charles Innes: I was going on to say that the Honourable Member made a definite proposal that all members of the Indian railway service over 51 years of age should be summarily cleared out in order to make room for Indians, and I make bold to say that there is no other Honourable Member in this House who would have endorsed this proposal. But, as I have said, Sir, I do not wish to say very much about this subject. I have said all that I had to say in my budget speech. I want to tell the House that as regards gazetted officers in the State Railway service we have done in the last three years as much as any Department of the Government of India have done and that we have agreed in the future to do more. In the last three years we have made 76 appointments to the Superior Establishment of the State Railways. Of those 76 appointments 43 or nearly 50 per cent. were given to statutory Indians and if the number of Indians that were available was considered the percentage was 65. Of the 24 European appointments 10 were appointed to the Locomotive, Carriage and Wagon Department for which no suitable Indian candidates were available. I shall just follow that little point up by saying that only the other day I got certain figures about applications for apprentice posts and I think those figures are rather illuminating. For two posts in the Traffic Department we got 300 applicants. For 20 posts of apprentices in the Locomotive, Carriage and Wagon Department, we got 9 applicants. These figures are rather illuminating. (*Diwan Bahadur T. Rangachariar:* "What was the qualification?") (*Diwan Bahadur M. Ramachandra Rao:* "Were they advertised?") I think so. For two posts in the Traffic Department we got 300 applicants. (*Diwan Bahadur T. Rangachariar:* "Were any English qualifications insisted on?") Not that I know of. As regards the Superior Traffic Department I say there can be no complaint in this House. 53 per cent. of these appointments have been filled by statutory Indians in the last three years and we have agreed in the future to Indianisation to the extent of 75 per cent. Nobody can complain against that. As regards the subordinate establishment I am afraid I have got nothing more to say than what I said in my budget speech. The line I take is this. I say the Indian must have his chance. He must have an absolutely equal chance with the Anglo-Indian for recruitment and for promotion. Only so far I am willing to go and I am perfectly sure nobody in this House will want me to go further. I did say and I adhere to it that the Agents of the Railways are accustomed to Anglo-Indians and they like them. I made that remark because I myself on more than one occasion have discussed this very question with the Agents. They always tell me, "We have been accustomed to work with the Anglo-Indian all these years. He has made good. We like him for this sort of work." And they like to continue to recruit them. It is only in the Traffic Department that the trouble arises. As Mr. Acharya has said, the subordinate engineering department is practically Indianised already. (*A Voice:* "What about the Loco?") We have not got the men trained yet. As regards the Traffic Department we have got to

[Sir Charles Innes.]

give the Indian an equal chance to get into the department with the Anglo-Indian. Once they have got into the department, all I say is let the better of the two win. If the Anglo-Indian or the Indian is the better man, let the better of the two get along. And I think we have made an improvement in this matter in the last year and we will make a greater improvement in the future, because we are now starting this training school. The difficulty is entirely one of getting a man into the department and you could only do that by providing a proper means of training, and that is what we are doing.

Mr. Bipin Chandra Pal (Calcutta: Non-Muhammadan Urban): *I desire to add just two sentences to make my position clear when I give my vote on this Resolution. When I vote for this Resolution, I want it to be placed on record that by Indianisation I mean the statutory Indian and not any particular section or caste or community of the composite Indian people.

Maulvi Abul Kasem (Bengal: Nominated Non-official): *Sir, I rise to support this motion for reduction of Rs. 100 on the question of the Indianisation of the railway services.

My friend Mr. Goswami wanted to congratulate the Honourable the Commerce Member on what he said—on his ability for window-dressing. I take this opportunity, Sir, to express my appreciation of the lucid statement which has been sent to us with his statement on the finances about this question of the various classes of communities represented on the railway services. I admit that there has been some improvement of late years but the improvement has been very very slow and we want it to be more rapid. The Railway Board which stands for quick transit should not be so slow. In the period of transition and in the changing from European to Indian, there is one thing, Sir, which I want the House to remember. I have heard the speeches of Honourable Members when they referred to the figures and the striking differences between Europeans and Indians, and the classification of Indians as Anglo-Indians, Mussalmans and non-Mussalmans. I expected that my Honourable friend would have a word to say about the deplorable position in which the Moslem community is represented in these figures but I was sadly disappointed. In fact I was surprised to find that in some cases objection was taken to the fact that in this statement the Indians have been classed as Moslems and non-Moslems. It was said that if you want them to be classed as Anglo-Indian and Indians, why not as Moslems, Sikhs or Hindus? (*A Voice*: "Why not Shias and Sunnis?") It has been said that the Honourable Members here object to any particular department or a particular service being the monopoly of a particular community. I join hands with them and support them with all my heart, and I hope and trust that this will be remembered at all times and for all services. (*A Voice*: "Foreigners.") Foreigners or Indians, what I say is this. I appeal to the Honourable Member in charge of the Railway Department and also to this House to see that in the first place the proportion of Indians is increased and rapidly increased. I am sure capable men and efficient men are now available, as has been quite clear from the speech made by Sir Charles Innes and the applications received for the vacancies that he advertised. I believe, Sir,

* Not corrected by the Honourable Member.

and I can assure this House that the number of qualified Muhammadans will not be wanting either in efficiency or ability to discharge their duties, and I hope that, as they go on increasing the proportion of the Indians in the services, they will remember that they have to increase more rapidly the proportion of Mussalmans in the gazetted services. In these services the proportion of Indians is 17 per cent. and the proportion of Moslems is only 2.29. In the subordinate highly paid services the proportion of Indians, excluding Anglo-Indians, is 24.66, but the proportion of Moslems is again 2.99. So these figures speak for themselves and I need not refer to it any more. The only thing I have to say is that this is due more or less in a small measure to the exercise of monopoly and patronage. I hope this will be given up.

An Honourable Member: I move that the question be now put.

The motion was adopted.

Mr. President: The original question was:

“That a reduced sum not exceeding Rs. 11,94,00,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘Working Expenses: Administration’.”

Since which an amendment has been moved:

“That the Demand under the head ‘Working Expenses: Administration’ be reduced by Rs. 100 in respect of the Indianization of railway services.”

The question I have to put is that that reduction be made.

The Assembly divided:

AYES—51.

Abhyankar, Mr. M. V.
Abul Kasem, Maulvi.
Acharya, Mr. K.
Ahmad Ali Khan, Mr.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Aney, Mr. M. S.
Belvi, Mr. D. V.
Chaman Lal, Mr.
Chanda, Mr. Kamini Kumar.
Delal, Sardar B. A.
Das, Mr. B.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Hussanally, Khan Bahadur W. M.
Iyengar, Mr. A. Ranganaswami.
Jeelani, Haji S. A. K.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kasim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kelkar, Mr. N. C.

Lohokare, Dr. K. G.
Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.
Murluza Sahib Bahadur, Maulvi
Sayad.
Mutalik, Sardar V. N.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Pal, Mr. Bipin Chandra.
Patel, Mr. V. J.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur
M.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Singh, Mr. Gava Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Kumar Ganganand.
Syamacharan, Mr.
Tok Kyi, Maung.
Venkatapatiraju, Mr. B.

NOES—39.

Abdul Mumin, Khan Bahadur Muhammad.
 Abdul Qaiyum, Nawab Sir Sahibzada.
 Ahmed, Mr. K.
 Ajab Khan, Captain.
 Ashworth, Mr. E. H.
 Bhoze, Mr. J. W.
 Blackett, The Honourable Sir Basil.
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Calvert, Mr. H.
 Clow, Mr. A. G.
 Cocke, Mr. H. G.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Fleming, Mr. E. G.
 Fraser, Sir Gordon.
 Graham, Mr. L.
 Hindley, Mr. C. D. M.
 Hira Singh, Sardar Bahadur Captain.
 Hudson, Mr. W. F.
 Innes, The Honourable Sir Charles.

Lindsay, Mr. Darcy.
 Marr, Mr. A.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir Bhupendra Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable Sir Alexander.
 Muhammad Ismail, Khan Bahadur Saiyid.
 Naidu, Mr. M. C.
 Rhodes, Sir Campbell.
 Rushbrook-Williams, Prof. L. F.
 Sastri, Diwan Bahadur C. V. Visvanatha.
 Sim, Mr. G. G.
 Singh, Rai Bahadur S. N.
 Stanyon, Colonel Sir Henry.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Webb, Mr. M.
 Wilson, Mr. R. A.

The motion was adopted.

LONDON BOARDS' ESTABLISHMENTS.

Mr. V. J. Patel (Bombay City: Non-Muhammadian): Sir, I am not so ambitious as my friend Mr. Rama Aiyangar nor like my friend, Mr. Acharya. Mine is a motion for a cut of two lakhs of rupees from the London Boards' establishments. I move that the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 2 lakhs.

Now Honourable Members will see that in the year 1923-24 under the head London Boards' establishments the amount of expenditure was Rs. 20,58,000. The provision made for the coming year is Rs. 20,24,000. Honourable Members are aware that the East Indian Railway London Board will not be required for the coming year and you will not require the London Board establishment for the Great Indian Peninsula Railway for 8 months, that is, it will be disbanded in the month of July. You will require it for the next 4 months. That means for 20 months you will have neither the Great Indian Peninsula London Board establishment nor the East Indian London Board establishment. For the East Indian London Board establishment you spent Rs. 3,12,000 for 9 months last year and for the Great Indian Peninsula London Board establishment you spent Rs. 2,86,000. That means that you spent Rs. 5,98,000 in 21 months. The average per month is Rs. 28,000 for these two Boards. Now, you will not require both these establishments for 20 months and you will be saving Rs. 5,60,000. If you take the actuals of 1923-24 and deduct Rs. 5,60,000 from that, you get Rs. 14,98,000. So according to this calculation you will require only Rs. 15,00,000 in the coming year to maintain your London Board establishments for the various railways. I, however, allow Rs. 3,26,000 more and thus make Rs. 18 lakhs. I propose a cut of Rs. 2 lakhs. That is a very modest amendment and I hope my friend Mr. Sim will have no objection to accept it. On the figures I have given it is quite clear that that establishment is really extravagant there. If you examine the figures for 1923-24 and compare them with the figures for 1924-25, the budget estimates and the revised estimates of the same year, you will find that you have gone miles away from the right figure of

1923-24. I therefore trust that Government will have no difficulty in accepting this small cut.

Mr. G. G. Sim: Sir, I am sorry I cannot accept my friend Mr. Patel's motion. I also regret that I have very little knowledge myself as to what the details are which make up the total figure which is to be voted. I should like to explain that this is a matter in which no control is exercised from India. The contract with every company includes a provision in the following terms:

"In the working expenses of the company shall be included such sum or sums of money as shall from time to time be agreed upon between the Secretary of State and the Company as proper to be allowed in respect of the Company's office in London, the office expenses, Directors' fees and salaries of clerks and servants, except so much, if any, of the sum or sums mentioned in this sub-section which the Secretary of State shall especially determine as chargeable to Capital."

Mr. V. J. Patel: It is all the same votable.

Mr. G. G. Sim: It is votable. This is a contractual obligation of the Government and the determination of the amount to be allowed under all these different items is left under the contract to be settled by the Secretary of State. The House is aware that we have a Government Director on the Boards of each of these Companies who looks after the recommendations which the Board may make and it has always been left to the Secretary of State himself to determine the expenditure in London. The only explanation I can give regarding the variations of the figures is this, that there are certain charges in connection with leave allowances, payments, gratuities and other expenditure connected with the winding up of the Companies which will have to be incurred next year in connection with the Great Indian Peninsula Railway. (*Mr. A. Rangaswami Iyengar:* "Is that an establishment charge?") Not necessarily establishment charges but payments due to the winding up of the Company. They have to get any special allowances from the day the Company ceases to exist and the provision on account of the Great Indian Peninsula Railway for the next year is put at 2 lakhs. It was a fairly high figure this year but the Company had already begun to make payments to some of their retiring employees. I am sorry I cannot give any further information, but this is a matter which under the contract has to be left to the Secretary of State. It is a contractual obligation that it is impossible for us to avoid.

Mr. A. Rangaswami Iyengar: I am sure that the House will feel thoroughly dissatisfied with the so-called explanation which the Honourable Mr. Sim has given to it. He says that he does not know whether this cut could be made or could not be made. He does not say how this figure of Rs. 20,24,000 has been arrived at and he does not say whether the taking over of the Great Indian Peninsula Railway and of the East Indian Railway by the State makes any difference to the total expenditure under this head.

Mr. G. G. Sim: It involves the payment of terminal charges in connection with the staff.

Mr. A. Rangaswami Iyengar: In which case, we should like to know the calculations by which you have arrived at the figures of Rs. 20,24,000. You have told us that you are unable to give any further information. We say that this House, which has the right to vote this sum, has the right to say what it considers to be the proper expenditure that ought to be incurred by the Secretary of State in respect of these Companies' London Board establishments. It is our duty, now that these railways have been

[Mr. A. Rangaswami Iyengar.]

taken over by the State, to scrutinise the claims that are preferred on account of the establishment charges by these Companies. I take it that, notwithstanding the taking over of these two lines, the charges claimed for establishments under other railways should have gone up on some ground or other. My friend has not said anything about these particulars and on the face of it it is perfectly clear that the sum which my Honourable friend Mr. Patel has put down, namely, 2 lakhs, is the very minimum that could be saved by the Secretary of State if his officers are careful enough to examine the claims for establishment charges on the London Boards. He could certainly see that this cut of 2 lakhs is carried out. It is the duty of this House to convey to the Secretary of State its sense of what these establishment charges ought to be and it is his duty to come to terms with the Railway Companies in regard to these charges because they are votable by us.

The Honourable Sir Basil Blackett: Sir, the budget estimate for 1924-25 for these charges was, as has already been pointed out, Rs. 25,20,000. The budget estimate for next year—and you must compare like with like—is Rs. 20,24,000, a reduction of 5 lakhs. That reduction is a reduction between the estimate of this year and the estimate of last year. That reduction does represent, so far as we are aware of the facts, the savings that will come in the course of being effected as the result of the taking over of the East Indian Railway from the 1st of January and of the Great Indian Peninsula Railway from the 1st of July. The explanation that has been given to the House is one with which—I am not altogether surprised—they are not entirely satisfied. We are not at the present moment in possession of the figures that are asked for. On behalf of the Railway Department—and I have Sir Charles Innes' authority to say it—I wish to say that we shall be very glad indeed to get full statements as to what these figures represent and present them to the House. Our control over this expenditure is exercised through the Government Director who is appointed by the Secretary of State and the Secretary of State has the final word in regard to this matter. I do not think that the figures before the House justify them in coming to the conclusion that this cut ought to be made. We shall be very glad to place before the House the fullest particulars as soon as we can get them. But I would ask the House not to press for these figures now as they are not in our possession, and not to press this cut.

Mr. Jamnadas M. Mehta: Sir, when full particulars are available and the House is satisfied that these charges are due, a supplementary demand can be made. But to-day in the absence of any specific and convincing information, the House should not be asked to take a leap in the dark. It appears to me that the mathematics of the Railway Board is at fault. We find that Rs. 3,12,000 is the amount of the London Board establishment for the East Indian Railway in the revised estimates of 1924-25. The whole of it must go from 1925-26 because that Railway has now become a State line. And the Great Indian Peninsula Railway is to become State property in the course of a few months, and if you take its expenditure of the current year, it is Rs. 2,86,000. Most of that must also go. If you add all these and deduct the total from the amount provided in the Budget, the amount that we arrive at is certainly smaller than is put forward in this demand, and the total excess that you are charging is (as I have tried to work out) 5.98 lakhs of rupees.

The Honourable Sir Basil Blackett: There is a reduction of Rs. 5 lakhs.

Mr. Jamnadas M. Mehta: Then, Sir, why do you expect the House to agree to 5·98 lakhs more than are really due under the calculations involved under these establishment figures, and therefore Mr. Patel, as a measure of excessive caution, cut it down by 3 lakhs more, because we worked out these figures together (Laughter) and we thought there might be some other charge here and there which the Government might be obliged to incur which we do not realise at present. But making the fullest allowance for this, if not 3 lakhs, we feel certainly 2 lakhs are due to be reduced. Mr. Sim said he did not know the full particulars but only that Government had no control in this matter. That is not a very satisfactory position under which you come and ask the House to sanction a grant, and therefore on the calculations involved the Demand should have been 5·98 lakhs less than here, and 2 lakhs is thus the minimum this House should agree to reduce.

An Honourable Member: I move that the question be now put.

Mr. President: The question is that the question be now put.
The motion was adopted.

Mr. President: The question was:

"That a sum not exceeding Rs. 11,93,99,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Working Expenses: Administration'."

Since which an amendment has been moved:

"That the Demand under the head 'Working Expenses: Administration' (London Boards' Establishments) be reduced by Rs. 2 lakhs."

The question I have to put is that that reduction be made.

The Assembly divided:

AYES—47.

Abhyankar, Mr. M. V.	Lohokare, Dr. K. G.
Acharya, Mr. M. K.	Mehta, Mr. Jamnadas M.
Aiyangar, Mr. C. Duraiswami.	Misra, Pandit Shambhu Dayal.
Aiyangar, Mr. K. Rama.	Misra, Pandit Harkaran Nath.
Aiyer, Sir P. S. Sivaswamy.	Murtuza Sahib Bahadur, Maulvi Sayad.
Aney, Mr. M. S.	Mutalik, Sardar V. N.
Belva, Mr. D. V.	Nehru, Pandit Motilal.
Chaman Lall, Mr.	Nehru, Pandit Shamlal.
Chanda, Mr. Kamini Kumar.	Neogy, Mr. K. C.
Crawford, Colonel J. D.	Pal, Mr. Bipin Chandra
Das, Mr. B.	Patel, Mr. V. J.
Duni Chand, Lala.	Purshotamdas Thakurdas, Sir.
Dutt, Mr. Amar Nath.	Ramachandra Rao, Diwan Bahadur M.
Goswami, Mr. T. C.	Ranga Iyer, Mr. C. S.
Govind Das, Seth.	Ray, Mr. Kumar Sankar.
Gulab Singh, Sardar.	Samiullah Khan, Mr. M.
Hans Raj, Lala.	Sarfraz Hussain Khan, Khan Bahadur.
Hari Prasad Lal, Rai.	Singh, Mr. Gaya Prasad.
Iyengar, Mr. A. Rangaswami.	Sinha, Mr. Ambika Prasad.
Jeelani, Haji S. A. K.	Sinha, Kumar Ganganand.
Jinnah, Mr. M. A.	Syamacharan, Mr.
Joshi, Mr. N. M.	Tok Kyi, Maung.
Kasim Ali, Shaikh-e-Chatgam Maulvi Muhammad.	Venkatapatiraju, Mr. B.
Kelkar, Mr. N. C.	

NOES—38.

Abdul Mumīn, Khan Bahadur
 Muhammad.
 Abul Kasem, Maulvi,
 Ahmed, Mr. K.
 Akram Hussain, Prince A. M. M.
 Ashworth, Mr. E. H.
 Bhoré, Mr. J. W.
 Blackett, The Honourable Sir Basil
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Calvert, Mr. H.
 Clow, Mr. A. G.
 Cocke, Mr. H. G.
 Cosgrave, Mr. W. A.
 Dalal, Sardar B. A.
 Fleming, Mr. E. G.
 Fraser, Sir Gordon.
 Graham, Mr. L.
 Hindley, Mr. C. D. M.
 Hira Singh, Sardar Bahadur Captain
 Hudson, Mr. W. F.
 Innes, The Honourable Sir Charles

Lindsay, Mr. Darcy
 Marr, Mr. A.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable Sir
 Alexander.
 Muhammad Ismail, Khan Bahadur
 Saiyid.
 Naidu, Mr. M. C.
 Rangachariar, Diwan Bahadur T.
 Rushbrook-Williams, Prof. L. F.
 Sastri, Diwan Bahadur ,C V.
 Visvanatha.
 Sim, Mr. G. G.
 Singh, Rai Bahadur S. N.
 Stanyon, Colonel Sir Henry.
 Tonkinson, Mr. H.
 Webb, Mr. M.
 Wilson, Mr. R. A.

The motion was adopted.

 PROCEDURE REGARDING WITHDRAWAL OF MOTIONS.

Mr. President: Before I adjourn the House I think I should perhaps offer a word of explanation regarding the course which I took in putting the request for leave to withdraw a motion. The Parliamentary practice is that when an Honourable Member, having moved a motion, rises to ask leave to withdraw, if that leave is objected to, in the House of Commons the question is put forthwith without further debate, and I propose to follow that course here. If it does not happen to suit conditions in the Legislative Assembly then any necessary amendment to the procedure can be made in the Standing Orders. It so happens that never before has a request for leave to withdraw been objected to, and I did not actually hear Pandit Motilal Nehru when he rose in his place. Therefore, I want to make quite clear the procedure I adopt, and that I propose to adhere to, unless in good time the Select Committee on the Standing Orders should take another view, which it is perfectly entitled to take.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 28th February, 1925.

LEGISLATIVE ASSEMBLY.

Saturday, 28th February, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President in the Chair.

UNSTARRED QUESTIONS AND ANSWERS.

COUNTING TOWARDS INCREMENT OF THE POSTAL SERVICES OF POSTAL SIGNALLERS TRANSFERRED TO THE TELEGRAPH DEPARTMENT.

†205. **Mr. M. K. Acharya:** Will the Government be pleased to state:

- (a) Whether in pursuance of the circular of the Director General of Posts and Telegraphs, No. I. S. T. S., dated 16th April 1912, a large number of postal signallers were transferred to the Telegraph Department?
- (b) Whether in the circular it was stated that "the men who pass the tests within the period of 12 months will be transferred to the Department as Local Scale Telegraphists and their pay and seniority will be regulated according to rules in Article 157A of the Civil Service Regulations"?
- (c) When was revision of pay to subordinates in the Postal service given effect to?
- (d) Whether the past service of the subordinates of the Postal Department including probationary service were taken into consideration in fixing the scale of their pay at the time when the new scale was given effect to?
- (e) Whether it is a fact that a similar concession was not allowed to the postal signallers who were transferred to the Telegraph Department in pursuance of the Director General's circular above referred to?
- (f) Whether it is a fact that by non-inclusion of the postal signallers who got transferred to the Telegraph Department in pursuance of the above circular to the advantage of the increments in the Postal Department they have lost the benefit of their service in the Postal Department?

COUNTING TOWARDS INCREMENT OF THE POSTAL SERVICES OF POSTAL SIGNALLERS TRANSFERRED TO THE TELEGRAPH DEPARTMENT.

206. **Mr. M. K. Acharya:** Will the Government be pleased to state:

- (a) Whether it is a fact that in his letter No. 87 D. E. S., dated 4th January, 1921, the Director General of Posts and Telegraphs has intimated all P. M. Gs. that "Services in the P. M. G.'s office, D. L. O., R. M. S., Postal Audit and Telegraph offices should count towards increment"?

† For answer to this question see below question No. 206.

- (b) Whether in his letter No. E. M. 02/15, dated 10th July 1922, the P. M. G., Madras, has asked from the heads of Telegraph Offices as to how many telegraphists recruited from the rank of postal signallers are desirous of reverting to the Post Office on condition that on reversion all their services in the Telegraph Branch will be allowed to count towards increments in the time scale of pay in the Post Office?
- (c) Will the Government be pleased to state why the benefit of past service in the Postal Department of those postal signallers who were transferred to the Telegraph Department was not similarly taken into account in fixing the time scale?

The Honourable Sir Bhupendra Nath Mitra: I propose to answer questions Nos. 205 and 206 together. The points raised are being examined and I will furnish the Honourable Member with the information he requires as soon as the examination is completed.

COUNTING TOWARDS INCREMENT OF THE POSTAL SERVICES OF POSTAL
SIGNALLERS TRANSFERRED TO THE TELEGRAPH DEPARTMENT.

207. **Mr. M. K. Acharya:** Will the Government be pleased to state:—

- (a) Whether telegraphists transferred from the Postal Department submitted a memorial to the Government of India through the Director General in May 1923 requesting that their past services in the Postal Department should be counted on time scale of pay and increments be granted according to the Telegraph scale as if they had remained in the Telegraph Department from the beginning of the service (postal service included) or in the alternative that to their present pay should be added the actual number of increments according to the present revised scale to the post office already earned by them for the number of years in their prior branch (*vide* Government of India's R. S. No. 6458, dated 23rd September 1920).
- (b) Whether it is a fact that in the 13th annual report of the Indian Telegraph Association special reference has been made to this subject in the following terms:

“About 256 men have been recruited to the local service from the Postal Department in the initial pay of a local scale telegraphist. They have had to sacrifice their services they rendered with the Post Office as a result of which they have lost the benefits of the recent postal revision which they would have derived had they remained in the Postal Department. Their case is one which appeals to us as worthy of consideration.”

- (c) Whether it is a fact that the above memorial has been withheld by the Director General under paragraphs II (9) and II (14) section III of the rules for submission of petitions to the Government of India in respect of the first prayer and under rule II (15) *ibid* in respect of the second alternative prayer?

- (d) Whether in view of the fact that postal signallers transferred to the Telegraph Department were scattered all over the country and had to take time for general consultation for the representation of their grievances, are the Government of India prepared to excuse the delay in the submission of their memorial and give favourable consideration to their just and legitimate claims?

The Honourable Sir Bhupendra Nath Mitra: The reply to the first three parts of the question is in the affirmative.

(d) As the claims of the men were rejected after mature deliberation by the Telegraph Committee of 1921 presided over by Diwan Bahadur Rangachariar, the Government of India find no reason to reopen the question.

CASE OF KING-EMPEROR VS. HAJI ABDUL BARI.

208. **Mr. M. K. Acharya:** With reference to my question No. 1381, dated 9th June, 1924, will the Government be pleased to say:

- (a) Whether either of the two cases then stated to be *sub judice* has since been decided?
- (b) Whether Government will be pleased to give a summary of the case and judgment in *King-Emperor vs. Haji Abdul Bari* in the District and Sessions Court of Moradabad?
- (c) Whether Government will be pleased to lay on the table extracts from the judgment delivered on the above case by Mr. Hamilton, the Sessions Judge, wherein he has reviewed the action of the Claims Department of the Oudh and Rohilkhand Railway in paying Rs. 3,470 to Abdul Bari on an unproved claim?
- (d) Whether any appeal or revision petition was preferred by Government to the Allahabad High Court, against the findings of the Sessions Judge; and if so for what purpose?
- (e) Whether Government in the revision petition asked the High Court to expunge the remarks made by the Sessions Judge against the action of the Claims Department?
- (f) Whether the High Court has expunged the remarks taken exception to by Government?

Mr. G. G. Sim: (a) The Honourable Member is referred to the reply given to question No. 316 by Maulvi Muhammad Yakub on the 27th January 1925.

(b) and (c). Government are unable to furnish documents of this nature. The Honourable Member may obtain a copy of the judgment direct from the Court.

(d) Yes, because Government were not satisfied with the decision in the Sessions Court.

(e) Yes.

(f) No, but the Claims Department of the Railway was exonerated of any dishonest motive.

CASE OF KING-EMPEROR VS. HAJI ABDUL BARI.

209. **Mr. M. K. Acharya:** Will the Government be pleased to state:

- (a) whether in the case of King Emperor *vs.* Abdul Bari remarks were made against the conduct of the District Traffic Superintendent, Claims Department, both by the Sessions Judge and by the High Court?
- (b) Who was the District Traffic Superintendent? When did he enter the Railway service, as what, and on what pay? What is his present salary? What action has been taken against him in pursuance of the remarks made by the Sessions Judge and confirmed by the High Court?
- (c) Whether it was against this same officer of the Claims Department that Mr. S. V. Naidu, late station master of Barabanki, levelled a charge of corruption and was refused an open opportunity of proving the charge?
- (d) Who the Superintendent "Watch and Ward" is whose conduct has been commended by the High Court? What service has he put in as such, and whether he is still kept unconfirmed?

Mr. G. G. Sim: (a) No.

(b) The District Traffic Superintendent, Claims, at the time was Khan Bahadur Mansoor Ali Khan. He entered railway service in May 1893 as a subordinate. His present salary is Rs. 900. No action was taken against him as it was clearly shown that there was no suggestion of dishonesty against him nor anything except an error of judgment.

(c) The reply to the first part is in the affirmative. As to the latter the Honourable Member's attention is invited to the reply given to his question No. 356(4) on the 17th September, 1924.

(d) Captain Deane. He has two years' service and is still unconfirmed.

COMPENSATION FOR GOODS LOST OR DAMAGED ON THE OUDH AND ROHILKHAND RAILWAY.

210. **Mr. M. K. Acharya:** Will the Government be pleased to state:

- (a) The expenditure through the Claims Department of the Oudh and Rohilkhand Railway in 1921-22, 1922-23, 1923-24, and in 1924-25.
- (b) Whether it is not due greatly to the vigilance of the Watch and Ward Department that there has been a striking reduction of expenditure during the past two years?

Mr. G. G. Sim: (a) The amounts paid as compensation for goods lost or damaged on the O. and R. Railway were:—

				Rs.
In 1921-22	...	...	...	4.60 lakhs.
1922-23	...	...	...	4.97 lakhs.
1923-24	...	...	...	2.29 lakhs.

The information for 1924-25 is not available. The amount paid in the first nine months ended 31st December 1924 was Rs. 1.03 lakhs.

(b) It is true that one of the reasons for the reductions in the amounts paid is due to the introduction of the Watch and Ward Department but the Honourable Member is referred to the Annual Reports by the Railway Board for the last two years for a fuller account of the reasons for these reductions on railways.

STATEMENT OF BUSINESS.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I wish to make the following statement with regard to the probable course of Government business in the next week. As Honourable Members are aware, there will be no meeting of the Assembly on the 2nd of March. It has already been announced that Tuesday, the 3rd, and Wednesday, the 4th of March, have been allotted by the Governor General for the general discussion of Part II of the Budget and that Friday, the 6th, and Saturday, the 7th March, have been allotted for voting of Demands for Grants. This leaves only one day, Thursday the 5th of March, for legislative business, and it is proposed on that day to undertake the following legislation:

To pass the Indian Merchant Shipping (Second Amendment) Bill as amended.

To take into consideration and pass the Cantonments (House-Accommodation Amendment) Bill and the Indian Ports (Amendment) Bill.

To take into consideration the Cotton Ginning and Pressing Factories Bill, as reported by the Select Committee and to pass the Bill if the motion for consideration is passed.

It may also be possible on that date to introduce the Income-tax (Second Amendment) Bill and the Cotton Cess (Amendment) Bill and also to take up the Resolution regarding the election of Members to the Managing Committee of the Lady Hardinge Medical College.

THE RAILWAY BUDGET—LIST OF DEMANDS—*contd.*

SECOND STAGE—*contd.*

Expenditure from Revenue—contd.

DEMAND No. 4—WORKING EXPENSES: ADMINISTRATION—*contd.*

Mr. President: The Assembly will now resume consideration of Part I of the Budget.

The question is:

"That a reduced sum not exceeding Rs. 11,91,99,900 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Working Expenses: Administration'."

The Assembly will first take into consideration the series of motions for reduction raising the unsatisfactory arrangements for the third class travelling public.

Mr. Gaya Prasad Singh.

(The Honourable Member was not in his seat.)

UNSATISFACTORY ARRANGEMENTS FOR THIRD CLASS PASSENGER TRAFFIC.

Kumar Ganganand Sinha (Bhagalpur, Purnea and the Santhal Parganas : Non-Muhammadan): Sir, whatever might be the difference of opinion among the different sections of this House on the question of the reduction of third class fares, the debate which took place on that topic the other day made it clear that a large section of this House is agreed with regard to affording facilities and conveniences for the travelling public in the third class carriages. I have noted with satisfaction that portion of the speech of the Honourable the Commerce Member where he deals with this subject and I thank him for having allotted 1½ crores for this purpose. But when I looked into the figures of the passengers that travel in the third class and the accommodation that the different railways provide for third class passengers, I admit that I was disturbed. From the Administration Report it appears that during the year 1922-23 as many as 50 crores of passengers travelled in the third class and in the year 1923-24 the number of passengers increased by 1 crore and odd lakhs. But the seats that the carriages provide under the existing system are not sufficient. The figures relating to the number of seats in carriages have also been taken from the Administration report. They are as follows:

In 5 ft. 6 inches gauge in bogie carriages 62,567, in four-wheeler carriages, 6,834.

In 3 ft. 3½ inches gauge 28,491 in bogie carriages and 3,758 in four-wheeler carriages.

In 2 ft. 6 inches gauge—there are altogether 23,430 seats in carriages. The total comes to about 1,25,080. If we take it for granted that all these carriages run during all the days of the year and if you multiply this figure by 365, we come to a figure of about 4½ crores which means that the facilities for travelling should be increased at least by 12 times the number as it exists at the present moment. To do so, the provision of 1½ crores is, I submit, not at all adequate. On looking into the budget estimates for 1925-26 for the different railways I find that whereas some railways, as for example the East Indian Railway, have made a genuine attempt to increase the number of third class carriages, some of them have altogether neglected this matter. Even those railways which have made some attempt to increase the number of third class carriages have not been able to fully satisfy the needs of the third class passengers. Anyone who has travelled in the railways will bear with me that the difficulties under which they labour are exceedingly great. The passengers are accommodated in the third class carriages not as men nor even as prisoners but as beasts huddled together for transport and I ask the House to adopt the motion that stands in my name in order that the attention of the railway authorities may be directed to the full extent of the importance of this matter.

I move, Sir, that the Demand under the head "Working Expenses: Administration" be reduced by Rs. 100.

Mr. President: Motion moved:

"That the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 100."

Mr. Kamini Kumar Ohanda (Surma Valley *cum* Shillong: Non-Muhammadan): Sir, I wish to mention one little matter in this connection, and it will be showing a want of a sense of proportion if I were to make a long

speech. The matter is this. In pre-war days, when the railway fares were $1\frac{1}{2}$ to $2\frac{1}{2}$ pies per mile, the free allowance for luggage was 15 seers. Now, the fare has been raised but the amount of free allowance of luggage is still the same as before. My submission is that it should be increased. It is 15 seers for 3rd class passengers, and I think it can easily be made half a maund. I do not think it would mean any serious loss of revenue to the railways or any serious encroachment on the space in carriages. Third class passengers do not have much luggage, and I do not think, if you increase the allowance, they will carry much more either, but what will happen is that they will be saved from harassment. At present they do not generally book their luggage and when entering the platform they are stopped by the gatemen on the plea that their luggage is more than the free allowance. If they can pass the gate, they are again challenged at the time they get out of the train or on the route by the travelling ticket checkers; and sometimes though they have to pay, this payment does not find its way into the railway coffers. They will be saved from this harassment if you increase the free allowance. I do not draw on my imagination about this. I will just call the attention of the House to a question of mine, which I put on the 22nd January last:

"Has the attention of Government been drawn to a letter published in the *Forward* on or about the last week of September over the name of Mr. Abdul Gunny Chowdhury, M.L.C., complaining that on his arrival at the Sealdah station his handbag was weighed by a railway employee by a weighing machine standing on platform No. 7 which showed a weight of 20 seers, that on Mr. Chowdhury challenging the weight, the bag was reweighed by Mr. G. Moss by another machine which stood by the side of the former machine, and the weight was now shown to be $14\frac{1}{2}$ seers; that the matter being reported to the Superintendent, he inquired and discovered that the former machine had been declared defective and Mr. Chowdhury thus escaped and it was found as stated that the man in charge of the defective machine had once before been punished for weighing by the same machine which is described as I. S. R. Inter and Third class K. L. N. M. B. B. and K. I. R. via L. G. G."

This was practically admitted by the Honourable Sir Charles Innes in his answer. Mr. Chowdhury was a Member of the Legislative Council; he knew his rights and he knew how to insist on them. His luggage was within the free allowance, but still he was harassed at the station. His luggage was weighed twice and then it was found he was within his rights. If this has happened to a Member of Council who knew his rights, just imagine what happens in the case of ignorant passengers who do not know what the free allowance is. My submission is that this harassment would be to a large extent diminished if we increased the free allowance, and furthermore I would suggest that even if the luggage weighs only a seer or a seer and a half or two seers more, it should be neglected. Of course, if you increase the allowance of third class passengers to half a maund, you will have to increase that of intermediate class passengers to say 30 seers. My submission is it is not a very big thing I am asking for and I hope the Honourable Sir Charles Innes will see his way to accept the suggestion and increase the free allowance.

Mr. Gaya Prasad Singh (Tirhut Division: Non-Muhammadan): Sir I gave notice of similar motions which stand as Nos. 65 and 66 on the List; but it is as well that I should make my submission here and now. The complaints of grievances of the third class passengers have been insistent and persistent for a long number of years, and this has been practically admitted by the Government themselves. Mr. Thomas Robertson, when he was deputed by the Secretary of State for India in 1901 to inquire into railway matters, stated that "the average number of passengers in a train

[Mr. Gaya Prasad Singh.]

is greater in India than in any other country in the world". This subject, was debated, Sir, in this House, and a somewhat comprehensive Resolution was adopted on the 7th of September 1922. In course of the debate which followed my Honourable friend Sir Charles Innes stated as follows:

"I am not going to deny that these grievances exist. The Government have never denied that fact."

Further on he stated:

"I admit of course that the overcrowding evil is serious. We always have admitted that."

Then again Professor Rushbrook-Williams, in his Book *India in 1923-24*, at page 173, makes the following observations on the subject:

"Public criticism of the shortcomings of the railways has also been lively. The complaints most frequently made against them are overcrowding; the travelling conditions of third class passengers; uncivil treatment of passengers by the railway staff; and the difficulty of securing compensation for goods lost or damaged in transit. Towards the remedying of these defects the various railway administrations are directing considerable attention. The problem of overcrowding is particularly serious. As a result of difficulties connected with the War period, Indian railways are still insufficiently equipped to enable them to deal satisfactorily with all the traffic that has to be carried."

I now refer, Sir, to the Report of the Railway Board for 1923-24, Vol. I, page 14:

"The only other question of importance debated in the form of a Resolution was one regarding the provision of conveniences for Indian railway passengers. The Assembly were asked to recommend to the Governor General in Council to direct railway authorities throughout India to take various steps to improve the conveniences of Indian passengers:

- (1) by increasing the number of passenger trains,
- (2) by the introduction of intermediate class where not already provided,
- (3) by improving the arrangements for the supply of drinking water to passengers,
- (4) by the provision of Hindu and Muslim refreshment rooms at all the principal stations where not already made,
- (5) by the provision of intermediate class waiting rooms.

The Resolution provided an interesting debate, many Members criticising the travel conditions on the railways."

I am afraid, Sir, in spite of this House having drawn the repeated attention of the Government and the Railway Board to this subject, the evil has not been sufficiently overcome. This evil, Sir, is particularly serious on the Bengal and North Western Railway. A wag once described the B. N. W. Railway as *beggarly niggardly working* railway. I am afraid, Sir, there is some truth in this observation. I have got before me the Bengal and North Western Railway Budget and from pages 2 and 3 of this, it appears that the receipts from third class passengers are 98.8 per cent., of the total passenger traffic; but I am astounded to read, Sir, that provision is made for only 12 bogie third class carriages in 1925-26. If I am wrong, my Honourable friend Mr. Hindley, whom I congratulate on his presence here after his temporary disappearance from this House, will kindly correct me.

Then, Sir, there was a meeting of the Railway Passengers' Conference which was held at Sonapur on the 11th November, 1924, and the principal

points of complaint against the railway administration were focussed in a Resolution, which was adopted on the occasion, and which runs as follows:

"That the following urgent complaints regarding the Bengal and North Western Railway should be redressed as soon as possible:

- (a) habitual overcrowding of third class carriages specially during fairs, festivals, and marriage seasons;
- (b) dirty and insanitary condition of lower class carriages;
- (c) want of adequate lights in the carriages, and at the stations;
- (d) slow running of trains, and unnecessarily long stoppages at roadside stations;
- (e) want of drinking water at the stations, and absence of refreshment rooms for orthodox passengers even at important junction stations;
- (f) difficulty in securing reserved accommodation;
- (g) difficulty in obtaining wagons, and

(this is most important so far as this particular Railway is concerned)

- (h) pilfering of goods, and of such articles as lime and coal at Mokameh Ghat; and of fruit.—(*I may add particularly lichi fruit for which Muzaffarpur is famous*) and other perishable articles while in transit."

Another Resolution ran as follows:

"That continuous booking should be observed at all important stations; and in other stations booking should commence at least one hour before the arrival of trains."

A number of questions were asked on this subject, Sir, and I regret to say that my Honourable friend Mr. Sim always refers to the Local Advisory Committee which he knows very well is almost a useless body because very few representative Indians are placed on it. It is a nominated body, and with regard to that this Conference adopted a Resolution as follows:

"That the constitution of the Bengal and North Western Railway Local Advisory Committee is very unsatisfactory and"

Mr. President: Order, order. The Honourable Member must restrict himself to the subject under debate which is the general arrangements for third class passengers. He has already talked about goods and is now going on to refer to Advisory Councils. Neither of them is in order.

Mr. Gaya Prasad Singh: Very well, Sir. I will no longer refer to the Advisory Council: I agree it is so bad that it should not be referred to in this House. I come, Sir, from the Province of Bihar and Orissa where one of the biggest fairs in this country—I may say, the biggest fair—is held, the Sonepur Fair. At that time, Sir, it is particularly pathetic to see the number of passengers crowded and huddled together in wagons for want of accommodation in third class carriages. The other day a question was asked in this House and the Honourable Mr. Sim in the course of his reply stated that in some cases these wagons were made as comfortable as possible. I immediately put a supplementary question as to how the wagons were made comfortable; and then my Honourable friend replied that electric lights are provided in some of these wagons. I wonder how electric lights in wagons during the day time could add to the comfort of the passengers. Apart from that, I know from my own experience that absolutely no lights, not even kerosene oil lamps, are placed in any of these wagons.

Then again as regards the ferry arrangements, there is only one steamer plying between Pahleza Ghat and Digba Ghat, which is ordinarily overcrowded. During fair time, it is specially difficult to have even standing

[Mr. Gaya Prasad Singh.]

room on the steamer; so I would like to suggest that more adequate arrangements should be made on these occasions.

There is just one point more and I have done. It is said that the Bengal and North Western Railway is beyond the control of the Government, and that they are therefore powerless in the matter to some extent. In that connection I will read a passage from the Report of the Railway Board for 1923-24, pages 77 and 78:

"The administrative control exercised by the Government over the companies is as follows:

The Company is bound to keep the line in good repair, in good working condition, and fully supplied with rolling-stock, plant and machinery; to keep rolling-stock in good repair and in good working condition; and to maintain a sufficient staff for the purposes of the line;—all to the satisfaction of the Secretary of State.

The Secretary of State may require the company to carry out any alteration or improvement in the line, or in the working that he may think necessary for the safety of the public or for the effectual working of the line.

The Secretary of State may require the company to enter into agreements on reasonable terms and conditions with the administrations of adjoining railways for exercise of running powers, for the supply to one another of surplus rolling-stock, for the interchange of traffic and rolling-stock and the settlement of through rates, and for additions and alterations to, or the redistribution of existing accommodation in junctions or other stations in view to their convenient mutual use.

The train service is to be such as the Secretary of State may require. In order to secure a general control over the rates quoted by companies, the Secretary of State has retained powers to settle the classification of goods and to authorise maximum and minimum rates within which the companies shall be entitled to charge the public for the conveyance of passengers and goods of each class.

The company has to keep such accounts as the Secretary of State may require and these are subject to audit by the Secretary of State.

In all other matters relating to the line the company is made subject to the supervision and control of the Secretary of State, who may appoint such persons as he may think proper for the purpose of inspecting the line, auditing the accounts, or otherwise exercising the power of supervision and control reserved to him."

Mr. President: None of these things come under the motion before the House.

Mr. Gaya Prasad Singh: They apply to the Bengal and North Western Railway, Sir. I hope my Honourable friend Sir Charles Innes in the course of his reply will not raise the plea that the Bengal and North Western Railway is not under the control of the Government. I do not want to hear that reply.

Mr. President: I was waiting to hear whether the Honourable Member could prove that the Bengal and North Western Railway is under the control of Government in respect of this particular item. That is all we are considering now.

Mr. Gaya Prasad Singh: We read in the Report, Sir, that the Government have exceedingly wide control over the methods of working. And:

"There are only two lines of some importance constructed by companies which receive no direct assistance by the Government, namely, the Bengal and North Western Railway and the Rohilkhand and Kumaon Railway. The general administrative control exercised by the State over these companies and the control over expenditure are similar to that which is exercised, as explained above, over guaranteed companies."

I hope the Honourable Sir Charles Innes will kindly give a lucid statement as to what steps have been taken with regard to redressing the grievances of the travelling public and specially third class passengers on all railways in general, and on the Bengal and North Western Railway in particular.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I shall content myself by making one recommendation to the Government of India and it is this: they should place the question of the grievances of third class passengers once every year before the Central Advisory Committee, before the Standing Finance Committee for Railways and before the local Advisory Committee and ask them to make a report and that report should be presented to this House. I hope this House will support my recommendation by voting for this reduction.

Mr. K. Venkataramana Reddi (Guntur *cum* Nellore: Non-Muhammadan Kural): Sir, I wish to bring to the notice of the Railway Board the difficulties experienced on the Madras suburban railways. It is a fact, Sir, that a large number of students, officers and business men and others, come every day to Madras from the suburbs and their usual time is about 10 o'clock. The accommodation provided in the train running at that time is very insufficient and the students generally travel on the footboard. When I was a student not very long ago I travelled generally on the footboard because on the train which used to leave Chetpet at 9-30 there was no place to sit. Recently in the *Hindustan Times* it was reported that four students had been arrested for travelling on the footboard. These students when they were brought before the Magistrate were asked why they were travelling on the footboard and they said there was no space to sit in the compartments. The railway people admitted that there was not sufficient accommodation on the trains and also that this state of things had been going on for a very long time. For the last twenty-two years there has been a scheme under consideration of the South Indian Railway authorities that the line between Madras and Pallavaram should be doubled. It is a distance of twelve miles and they have had that scheme under consideration for the last twenty-two years. This has not been carried out and I do not know the reason why. Now a scheme for the electrification of the Madras suburban service has been taken up and the old scheme has been forgotten. I wish to bring these difficulties to the notice of the Railway Board so that they might give instructions to run more trains or attach more carriages in the suburban train service in Madras.

Colonel Sir Henry Stanyon (United Provinces: European): Sir, with every sympathy for the third class passenger, with whom I have had the honour of travelling more than once, and with a real anxiety to see an increase of amenities for him, I venture to submit that the case of overcrowding of third class carriages is apt to be somewhat exaggerated, because it is looked at from the point of view of the orator rather than from the point of view of the traveller. We see daily three joy-riders on a bicycle built for one; six placid travellers in an *ekka* which can only hold two even on oriental lines of comfortable sitting (*Mr. Gaya Prasad Singh*: "They are licensed to carry three."), yes, Sir, but only two passengers. Then we often have 4-seated Ford cars containing eight smiling faces; and we see bullock carts arriving at a railway station with a pyramid of

[Colonel Sir Henry Stanyon.]

human beings so closely packed as to make us apprehensive that the much greater room for them in the third class carriages will lay them open to the danger of catching cold. Overcrowding of third class carriages is not peculiar to India. Who has not stood for hours in London holding on to a strap between two crowded rows of seated passengers who have not paid any more for their seats? No doubt the longer distances travelled in India alter the circumstances; but what are the remedies? One is to provide more rolling-stock or more trains, which means more money; and here we must cut our coat according to our cloth. The other remedy is a limitation on the numbers let into each carriage; this means that on many occasions numbers of passengers would have to be left on the platforms. Ask any intending passenger which he will choose, to complete his journey in some discomfort or to be left behind. Crowding we have all had; it begins with discomfort, but not infrequently ends in the pleasure which all human beings feel in trying to help one another to make the best of things. I quite agree that as far as possible more room should be found for third class passengers, but let us not imagine that whenever we pass a third class carriage and see it full of human beings they are either uncomfortable or unhappy.

The Honourable Sir Charles Innes (Member for Commerce and Railways): Sir, the Honourable Mover of this Resolution said that his object in moving this was to draw the attention of the Railway Board to the grievances of the third class passengers. I can assure him that it is not necessary to move this Resolution or rather to pass it in order to effect that object. For I can say without fear of contradiction from anybody in this House that there is no question to which we in the Railway Board have devoted more attention in the last few years than this very question. Now, Sir, I do not object to these continual debates upon the subject of the grievances of the third class passenger. It is of course the legitimate function of this House that they should press from time to time their views in this matter upon Government; but I do think that I have some cause for complaint; for while Honourable Members are continually making complaint against the Government in this matter, I can never find any indication on their part that they make the slightest attempt to appreciate what we are doing in this matter. Mr. Gaya Prasad Singh said that the whole question was reviewed in a debate in September 1922. As a result of that debate a Resolution was passed recommending that we should call for reports from Agents on the question of certain grievances specifically referred to by Mr. Joshi who moved the Resolution. Now, Sir, we did call for those reports. Moreover those reports were carefully considered by the Local Advisory Committees to which Mr. Joshi has referred; and when the reports were finally complete they were all printed up in two volumes and those two volumes were placed in the Library of this House. I should like to ask Mr. Gaya Prasad Singh whether he has taken advantage of the opportunity that I have offered him, whether he has read those reports and whether he has made any real attempt to understand the efforts that we are making in the Railway Board to meet these grievances.

Mr. Gaya Prasad Singh: From the serious overcrowding that continues, I see evidence before me that the evil is not lessened. It is very odd comfort only to be referred to the reports which are lying on the shelves of the Library.

The Honourable Sir Charles Innes: I gather from the Honourable Member's reply that he has not read the reports, and I suggest, Sir, that it is only fair to the Railway Board that Honourable Members should try and appreciate the efforts we are making in this direction. We have not only placed these reports in the Library, but every year we devote a special section in the Railway Board's Report to the question of the action we are taking in regard to third class passengers. Mr. Gaya Prasad Singh quoted long extracts from the appendix to the Railway Board's Report regarding the question of the control of the Secretary of State over companies in India. But I noticed that he did not quote in any way pages 65, 66 and 67, in which we give a brief summary of the action taken in the year 1923-24 in order to meet the grievances of third class passengers. Now, Sir, as I say, I do not think that is treating us quite fairly. He asked me to say definitely what the Bengal and North Western Railway is doing in this matter. Well, Sir, the purport of Mr. Sim's interruption in Mr. Gaya Prasad Singh's speech was this, that the Bengal and North Western Railway being a company railway their estimates do not appear in the Budget and are not strictly open to discussion to-day. But still I do not propose to take that point myself; I propose to tell Mr. Gaya Prasad Singh what the Bengal and North Western Railway have done in regard to the overcrowding of third class passengers; he could have found it himself if he had taken the trouble to read these reports:

"Immediately peace was declared contracts for rolling-stock were placed and up to date 40 locomotives, 9 1st and 2nd class bogie carriages, 42 intermediate and third class bogie carriages and 2,100 covered goods wagons and 25 bogie timber trucks have been built or are in course of erection. A programme for work to be undertaken in the five-year period 1922-27 provides for 10 standard superheated engines, 10 first and second class carriages and 140 third class bogie carriages. . . ."

And then the report goes on to say what is being done in the way of waiting accommodation, water facilities, admission to platforms and the like. There is further information on the subject in the Railway Board's Report, which I read out for Mr. Gaya Prasad Singh's benefit:

"Third class passenger sheds have been recently completed at 2 stations and 9 others are in hand. Indian ladies' waiting rooms are being built at 16 stations and 2 more are proposed.

Additional hydrants have recently been given at 40 stations.

Muhammadan and Hindu refreshment rooms have been provided at Sonapur and Gorakhpur and are proposed for Barauni and Gonda. . . ."

Mr. Gaya Prasad Singh: Is there not overcrowding in trains? My complaint is about overcrowding in third class compartments.

The Honourable Sir Charles Innes: Now, Sir, let me just say a few words about the question of overcrowding. The House will realise that it is quite impossible for me to say anything fresh, because we discussed this subject not only in September 1922, but we also discussed it at very great length only this time last year. Now the trouble about this overcrowding arises from the fact that it goes back a long way. I will just read an extract from the East Indian Railway Report which, as I said, is in the Library.

"Sufficient allowance is not made for the set-back caused by the war; but for it the public would have little cause for complaint. During the year ending the 31st March, 1915, the additions to stock in terms of four-wheelers amounted to 20 composite third class and brake carriages and 40 third class carriages omitting mention of other types of stock. During the six years ending the 31st March 1921, the addition under these heads was nil."

[Sir Charles Innes.]

Now, that is the trouble. We fell back during the war, and now I can only say that we are beginning to recover again. In the last year we put on 40 additional trains. Our third class passenger traffic increased by 2 per cent. The increase of seating accommodation for third class passengers was 5 per cent. In the three years ending March 1924, we were able to put on the lines something like 1,000 third class carriages in terms of four-wheelers. In the current year up to 30th September last, we have put on 300 third class carriages in terms of four-wheelers and we have 700 others on order. For 1925-26 we have provided for 755 third class carriages in terms of four-wheelers, and as I have said in my budget speech, we are considering whether we cannot make a very large addition to our third class stock. Now, I think that, from the figure I have given, the House will see that we are making a very real attempt to deal with the question of overcrowding in third class carriages, and I think they will also see that we are now beginning to catch up the arrears into which we fell owing to the war. That being so, I think the House may leave it to the Railway Board to go on with the work which they are now doing. Every year I undertake to put in the Railway Administration Report a summary of what we are doing in this matter. All these proposals are put before the Local Advisory Councils, and if you will permit me, Sir, I should like to dissociate myself entirely from what Mr. Gaya Prasad Singh said about the utility of these Councils. We hear a very different account from the Agents and I think Honourable Members who read the proceedings of these Advisory Councils as published from time to time in the press will, if they are prepared to take an unprejudiced view of the matter, agree that the Local Advisory Councils are doing very useful work indeed.

There is only one more point that I should like to refer to before I sit down, and that is with reference to what Mr. Chanda said about the allowance of luggage for third class passengers. One of our difficulties of course in regard to third class passengers is that they always like to take into the carriages with them the whole of their goods and chattels. It may seem that we are rather hard in this matter to limit them to a certain definite amount, but we have got to consider the convenience of other passengers using the same carriage, and I think the House will agree that if we were suddenly to increase the allowance from 15 seers to half a maund, the only effect must be that we shall increase the overcrowding in third class carriages and that we shall add to existing difficulties. So Mr. Chanda will agree with me that it is a matter which should be left over for the future.

With regard to the doubling of the lines to which Mr. Reddi referred, I know myself how very great the volume of suburban traffic in Madras is, and I also agree that there has been a great delay in carrying out the doubling of the line from Madras to Pallavaram which we sanctioned two years ago, but it is a question of electrification. Our experience has gradually brought us to the view that the right way to deal with the suburban problem is to electrify the suburban railways. We have already begun that in Bombay, and we are now busily engaged in electrifying the Bombay, Baroda and Central India and the Great Indian Peninsula suburban lines. Similar projects are under consideration for Calcutta and Madras. We will try to get the estimates in as quickly as possible, but if we can only hang up this matter a little longer even when we do improve our suburban arrangements in Madras experience shows that the solution will be very much more satisfactory.

Now, Sir, that is all I have got to say. I think I can claim with justice that we are working very hard at this problem and I do not think it will be right for this House to pass this Resolution.

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor: Non-Muhammadan Rural): May I suggest to the Honourable the Railway Member that the Members of the Legislative Assembly may be made ex-officio Members of the Local Advisory Committees in the respective provinces?

Mr. N. M. Joshi: I made a suggestion, Sir. May I know if the Honourable Member accepts it?

The Honourable Sir Charles Innes: I will consider that, Mr. Joshi.

Kumar Ganganand Sinha: Sir, since the Honourable Member for Railways has undertaken to make genuine attempts to redress the grievances, we shall wait and watch for a year. For the present, therefore, I beg to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

ATTITUDE OF RAILWAY AGENTS TOWARDS RAILWAY UNIONS

Mr. N. M. Joshi: I move, Sir, that the Demand under the head 'Working Expenses: Administration', be reduced by Rs. 100.

My object in moving this reduction is to make certain suggestions to the Railway Board as regards the grievances of the employees of the Indian Railways. The first thing that I want to suggest is that the employees of the East Indian Railway have now got certain grievances, the principal one is that even after taking over charge of the East Indian Railway, the Railway Board wants the employees of the East Indian Railway

The Honourable Sir Charles Innes: May I know, Sir, what motion is being moved? I understand it is No. 54.

Mr. N. M. Joshi: I propose to take all my motions under one head, because that will be more convenient.

Mr. President: I called upon the Honourable Member to move his reduction which raises the question of the attitude of Railway Agents towards the Railwaymen's Unions.

Mr. N. M. Joshi: I propose to take that question also under this, because I think it will be more convenient if I take all the motions relating to the grievances of these employees under one head.

Mr. President: The Honourable Member has only one motion for reduction under this head.

Mr. N. M. Joshi: I shall withdraw all the others.

Hr. President: The Honourable Member has no more motions to withdraw. There is only one under this head.

Mr. N. M. Joshi: All right, Sir, I would therefore suggest to the Railway Board that they should apply the rules of the State Railways to the employees of the East Indian Railway. There is only one more point I want to mention, and it is about the use of the Fines Fund

The Honourable Sir Charles Innes: Sir, it will be very much more convenient for Government Members if Honourable Members can confine their motions to particular points or issues instead of linking up several together. It is very difficult to find the papers.

Mr. President: I drew the attention of the Honourable Member to the fact that he should only deal with the question regarding the attitude of some of the Railway Agents towards the Unions.

Mr. N. M. Joshi: Yes, Sir, I will confine myself to Unions.

This House recently passed a Resolution about the grievances of the Railway employees. One of their grievances was that the Agents of several Railways do not recognise the Unions formed by their railway employees. Last year I said during the budget discussion that the Agent of the Great Indian Peninsula Railway has not even replied to the letters which were sent to him by the Union of the Great Indian Peninsula Staff and other employees. As far as I could find out there is absolutely no reason why Agents should treat their employees with such great discourtesy as not even to send replies to their letters. After all recognition in the ordinary sense does not mean anything more than sending replies to letters that are received from the unions of these employees. You may decide the question in any way you like, but when a letter is sent you should take the letter into consideration and send a reply. Nothing more is asked from the Agents. But, Sir, the Agent of the Great Indian Peninsula Railway refused to do this. Last year the Honourable the Chief Commissioner for Railways said he did not know why the Railway Agent does not send replies. But Sir, it is his business to know why the Agent is so discourteous to his employees, and if he does not find out I think the House should insist that the Agents of their Railways should at least send replies to letters that they receive from the Unions of their employees. Last year the Honourable the Chief Commissioner for Railways said that on some of these railways they are forming Joint Councils as recommended by the Whitley Committee in England. But the Chief Commissioner, I am afraid Sir, has not read the report of the Whitley Committee. (*Mr. C. D. M. Hindley:* "I have read the report.") I am glad to hear that he has read the report. Unfortunately, he has not digested the contents. The first recommendation made by the Whitley Committee is that if you start your Joint Councils with a view to substituting them for the Unions your Joint Councils are bound to fail. The Whitley Report warns all people that if the idea goes abroad that these Councils are to be started as a substitute for the Unions they must fail and it will be a dangerous thing. Not only that, but the Whitley Committee's recommendation regarding Joint Councils is based on the supposition that the Joint Councils will be started only in those industries in which the workers are organized. They have stated very definitely that Joint Councils will not succeed in those industries where the employees are not organized. Therefore, the starting of Joint Councils presupposes the existence of Unions. Unfortunately in India when these Unions are formed the employers begin to start the Joint Councils in opposition to the Unions. Surely your Joint Councils will not succeed. Moreover, Sir, even in the case of Joint Councils where they are formed as a substitute for the Unions they preclude these Joint Councils from considering individual grievances. Now, you will not send replies to the letters of the Unions about individual grievances; you will prevent the Joint Councils from considering individual grievances; then how are these individuals to get redress? You may say they may write direct to

the Agent, they may write direct to the Railway Board. But, Sir, we have all seen how far any of us can get redress by writing directly to the Agent or to the Railway Board. Then, Sir, there are some Agents who refuse to recognize Unions on the ground that the officers of those Railway Unions are outsiders. Now, Sir, the report of a Committee appointed by the Government of Bombay makes it quite clear that it would be the wrong thing for employers to refuse to recognize the Unions on the ground that the office-bearers are outsiders. Even the Bill which the Government of India have brought forward allows a certain number of outsiders to be office-bearers of the Unions, and I cannot understand why the Railway Board should allow any Agent to refuse to recognize a Union on the ground that the office-bearers are outsiders. I therefore hope, Sir, that this House will insist upon the Railway Board giving definite instructions to the Agents of the different railways that they cannot afford any longer to treat the organizations of their employees with contempt and discourtesy. They ought to recognize the Unions at least by taking into consideration the grievances represented to them and by sending suitable replies. I hope, Sir, that this House will pass my motion for reduction also in order to preserve the dignity of the rights of this House. This House has recently passed a Resolution on this matter and the Honourable the Commerce Member has definitely stated that he will not accept it. I therefore hope that this House will insist that my motion should be adopted and the dignity and privileges of this House preserved.

Mr. President: Reduction moved:

"That the Demand under the head 'Working Expenses: Administration,' be reduced by Rs. 100."

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadian Rural): Sir, in supporting the motion of my Honourable friend Mr. Joshi I have got a specific complaint which I wish to bring to the notice of my Honourable friend the Member for Commerce. Some time back, the President and the Secretary of the South Indian Railway Labourers Union wanted to see the local official at Podanur to represent to him certain very important matters affecting the workmen employed in Podanur, especially the case of two labourers who were in our opinion very unjustly suspended for the part that they took in a recent strike on that line. The local official very bluntly refused to receive the deputation and, when a representation was made to the Agent of the South Indian Railway, the officials of the Union did not get any better reply. Sir, I must ask the Honourable Member for Commerce to instruct the Agents of railways not to take up this unsympathetic and uncompromising attitude towards the Railway Labour Unions. (*A Voice:* "Who was the President?"). The President happened to be a Member of the Legislative Assembly, Sir. (*Cries of "Name, name."*) Railway Labour Unions are very often reminded that the labourers employed on railways being members of a public utility service ought to realize their responsibility, not merely to their employers but to the public at large. Well, Sir, I do not deny the force of this contention. But if this argument is to hold good, then the Agents of the railways must show very great courtesy to the Labour Unions connected with the railways. I may tell the Honourable Member for Commerce, Sir, that if it were not for the wise advice given by some of the responsible men of the locality to the South Indian Railway Labour Union there would have been a great strike on this matter; and I must warn the Honourable Member for Commerce and the Railway Board

[Mr. R. K. Shanmukham Chetty.]

that if the Agents of the railways persist in this kind of attitude they will create trouble not only to the railway companies but to the public at large; and therefore, Sir, I hope that the Honourable Member and the Railway Board will instruct Agents to treat the Labour Unions connected with their railways with the courtesy and sympathy that they demand and which they have a right to expect.

Mr. Chaman Lall (West Punjab: Non-Muhammadan): Sir, the time has come when the Honourable the Commerce Member should lay down a clear policy in regard to the recognition of Railway Unions. I recognize the difficulties in the way of the Railway Board in some cases, but you should take those difficulties in hand and solve those difficulties. You know that Unions are growing; you know that they require encouragement; you know that you are taking steps to promulgate legislation in regard to trade unions; therefore it is necessary that you should, instead of adopting a policy of turning the cold shoulder to trade unions on the railways, give them every encouragement in your power. Mr. Joshi has laid before you the complaints of these Unions. As Mr. Chetty has also shown, every one of us is familiar with the attitude some times adopted by certain Agents towards these Unions. Some time it is said by them that the Union is not going to be recognized merely because the weekly organ of that particular Union has used certain expressions which are not very favourable to the Agent, and therefore the Agent in a huff says, "I will not recognize the Union". That I say, Sir, is not a policy which ought to be encouraged by the Railway Board. They should realize that trade unions have come to stay, and it is to their interest, to the interest of the people who are working on the railways and to the interest, I think, of the public at large that they should encourage these unions. As far as the constitution of Whitley Councils is concerned, I know perfectly well that there was a willingness a couple of years ago to encourage these Councils in contradistinction to the encouragement that ought to have been given to trade unions because the authorities know that by creating Whitley Councils which are under their thumb all the while, they can get what they want done by a semblance of representative decision. They will go to these men and say, "these are the things we want you to decide". They will so decide because they are too afraid to come out into the open and defy the authorities. That principle is a pernicious principle which goes to the very root of the growth of trade unions; and we want you to take your courage in both hands and come out frankly and recognise these trade unions. And in that respect I appeal to the Honourable Member to take a leaf out of the book of the Honourable Sir Bhupendra Nath Mitra, Sir Geoffrey Clarke and their Department. They know that in the Post Office the men have got unions all over India, very well-organized unions representing the best type of trade unionism in this country, and they know perfectly well that the

12 noon.

Industries Department has recognized those unions. I ask the Honourable Member to remember that fact in his dealings with the Railway men and their unions.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, in supporting the proposition proposed by my Honourable friend Mr. Joshi, I wish to draw the attention of the House to the conduct of the Agent of the Oudh and Rohilkhand Railway in disaffiliating the Oudh and Rohilkhand Railway Union. This Union was established

and was in existence for some time, but last year it incurred the displeasure of certain officials of the Railway by bringing to light their mismanagement and shortcomings; and the result was that the affiliation of the Oudh and Rohilkhand Railway Union was withdrawn by the Agent. Several applications were made to the Honourable the Chief Commissioner of the Railways and the higher authorities, but most of them remained unanswered, and nothing has yet been done to remove the grievances of the Union or to have it affiliated. It is high time, Sir, that this House should impress upon the Government the necessity of taking the unions in the light in which they are working. Instead of being thankful to the unions for bringing out the shortcomings of the officers, the conduct of the Agent in disaffiliating them for doing good to the public is certainly very objectionable. (*An Honourable Member*: "Ungrateful.") And ungrateful, as my friend suggests, and I hope that the Railway Board will take this matter into very serious consideration.

Sir Campbell Rhodes (Bengal: European): Sir, I have always been a great believer in strong trades unions of responsible workmen, with as little interference as possible from outside. (*A Voice*: "Are the Agents of such unions outsiders?") Mr. Shanmukham Chetty has referred to the President of a certain union on a railway in the South of India. He did not mention his name and leaves us to guess his profession. (*An Honourable Member*: "A lawyer.") As my Honourable friend suggests, possibly a lawyer. Well, Sir, I have had my own experience with Whitley Councils. I formed one myself in a boating Company and I was very disappointed when the work-people at the instance, at the instigation of a local lawyer threw that committee overboard. I do not use that word in a metaphorical sense but in an actual literal sense. That lawyer wrote us two letters. I found he had collected a sum of Rs. 300 from the workmen and, having written these two letters, quietly disappeared from the scene with the Rs. 300 and left the workmen to the tender mercy of myself. But, Sir, I do not think my friend, Mr. Chaman Lall, is on the right lines when he is so anxious to set capitalists and employees in two strongly armed camps against each other. I think time is required to build up both these councils and these trade unions on more sympathetic lines between the employer and the employee; and I am convinced that every right-minded employer is only too anxious to meet his work-people and to persuade them to get over that diffidence which I know exists in the presence of their employer but which with tact and patience can be overcome, and to get them to express their views and to say frankly what their grievances are and how best they can be met. I believe it is possible, and I have found it in my own office in Calcutta quite possible to get really useful suggestions from one's employees, to benefit them at very little expense to the employer, and to create good fellowship and good understanding which is all to the good of the workmen. But, Sir, trade unionism in India is in its infancy. It cannot be impressed too highly that at the moment there is a lack of *esprit de corps* among the men themselves, and those who come in from outside, instead of guiding these councils aright, too often come in only to create a trades union just for the purpose of a strike; and as in the case I have illustrated they collect large fees without conferring any benefit whatever on the men. If the idea of this motion is to press on Government that Agents should do their best to encourage their men to represent their grievances to them either through councils or through trades unions, then I am heartily in sympathy with it; and I am sure from my conversations

[Sir Campbell Rhodes.]

with Agents that they would be only too anxious to have those efficient trades unions of the men themselves which exist in the Department presided over by my Honourable friend, Sir Bhupendra Nath Mitra. But, Sir, this cannot be rushed. The Agents will have to feel their way slowly, and I am sure they will do their best to build these trade unions up into something that will be a help to the men and not merely deprive them of their bread and butter by getting them to strike frequently and without reason.

The Honourable Sir Charles Innes: Sir, before I begin to reply to the various suggestions that have been made in this debate, I should just like to refer to one remark by Mr. Chaman Lall. He asked me to take a leaf out of my friend Sir Bhupendra Nath Mitra's book. I think, Sir, it might more correctly be said that my Honourable friend Sir Bhupendra Nath Mitra has inherited a book from me because the Trades Union Bill which is now before the House was, I think I am correct in saying, elaborated at the time when I was head of the Industries Department and when I had labour legislation under my charge. Now, Sir, this question of trades unions in India is a very difficult one, and I entirely agree with Mr. Chaman Lall and Mr. Joshi, a very important one. But, Sir, as Sir Campbell Rhodes put it as I think correctly, the trouble is that trades unionism is now in what I might call the teething stage, and the teething stage is always a very difficult stage. I was talking over this matter only the other day with one of the very biggest employers of labour in England. He is an employer whose labour force amounts to 20,000 men and he told me that during the last many years he had never had a strike among his men and he made a remark with which I entirely agree. It was this. He said, "A well organised union is a real help; a weak union is a nuisance." Now, I think that Mr. Chaman Lall and Mr. Joshi will agree with that statement. I personally accept it absolutely; and I think that our difficulty in India at the present time is that most of our unions, particularly on railways, are what I might call weak unions. Now, let me just give one example of that. On one of our railways, we have a labour force of 70,000 employees. I saw a reference to the union on that railway in one of the papers the other day and that reference was this. The strength of the union has gone down from 3,000 to 1,200 owing to non-payment of subscriptions. There we have what is the root cause of the difficulty. You have what is called the railway union of that railway. That railway has a labour force of 70,000 men and statistics shows that the union, which claims to represent the whole of that labour force merely consists of 1,200 men.

Mr. N. M. Joshi: They represent their members.

The Honourable Sir Charles Innes: Not at all. Government can do a certain amount to foster the growth of trade unionism on healthy lines. We hope to be able to do so by this Bill which we have placed before this House. If that Bill is passed it will, I think, give a great impetus to proper, healthy and good trade unions in India; and if the Bill is passed, then, I, for one, do not think that the House will have any reason to complain in the matter of recognition of registered unions by the Railway Agents. What we want, as Mr. Chaman Lall rightly said, is a policy. The matter is continually under correspondence and discussion between myself and Agents. We want this Bill passed and we shall have this matter of policy laid down quite clearly. But I am very doubtful whether even that Bill will do as much as one would hope for the growth of

trades unions in India, because I do not believe myself that you are going to get a really, healthy trade union movement in India, unless it is rooted in the workmen themselves. You must have, I feel, a higher level of education and intelligence among the workmen. If you can only get that, if the workmen combine voluntarily and readily together in order to establish trade unions, then there would be no necessity for anybody in this House to talk about recognition, to talk about the attitude of employers or to talk about the attitude of Government. The matter will rest with the trade unions themselves. If there are only trade unions of that kind commanding the majority of the workmen and commanding a body of workmen who are intelligent, who really understand what the object of trade unions is, then those trade unions without any action on the part of Government will be able to force recognition. I do not think there can be any doubt about that. Our difficulty at present of course is that when there is a trade union, we never know what there is behind, we never know what it represents, whether it represents the whole labour force of that railway or merely a small body of men who claim without any reason to represent that labour force.

That brings me to this extremely difficult question of outsiders. With reference to what Mr. Chetty said, I do recognise that there are outsiders, if I may use that term, who really have the interests of the work-people at heart and who do try to assist the men to form a trades union with the highest of motives. I admit that quite freely and everybody must be grateful to them. On the other hand, I do believe that trade unions sometimes do get into the hands of other classes of people, people who sometimes try to exploit labour for purposes not connected with the welfare of labourers, or people whose living actually depends upon their office in some trade union and who really, I regret to say, have the object of stirring up quarrel and strife between the workers and the employers in order to keep their jobs. That is one of the difficulties we have, and that I think is why you find not merely Railway Agents but other employers of labour all over India getting extremely apprehensive on this question of outsiders. For myself, I do not take an extreme view in this matter at all. I think if there are outsiders in trades unions in India, it is because in the present stage of the growth of the movement of trade unions in India those outsiders fill a need. One of our whole troubles is that you have outsiders and outsiders, some of them working wholeheartedly, as Mr. Chaman Lall said, for the welfare of the work-people and some of them working for their own welfare, and that is the difficulty. I do not propose to go into all the other matters raised, but I think that if this Bill is passed by the House, then all these difficulties about which Mr. Joshi and Mr. Chaman Lall complain will disappear. The Indian Legislature would have then laid down a policy and I think you will find the reasons why Agents and employers refuse to recognise unions will disappear and I think registered unions will have no difficulty in getting recognition.

Mr. President: The original question was:

"That a reduced sum not exceeding Rs. 11,91,99,900 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Working Expenses: Administration'."

Since which an amendment has been moved:

"That the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 100."

The question is that that amendment be made.

The Assembly divided :

AYES—48

Abhyankar, Mr. M. V.
 Abdul Kasem, Maulvi.
 Acharya, Mr. M. K.
 Aiyangar, Mr. C. Duraiswami.
 Aiyangar, Mr. K. Rama.
 Aney, Mr. M. S.
 Belvt, Mr. D. V.
 Chaman Lail, Mr.
 Chanda, Mr. Kamini Kumar.
 Chetty, Mr. R. K. Shanmukham.
 Das, Mr. B.
 Duni Chand, Lala.
 Dutt, Mr. Amar Nath.
 Goswami, Mr. T. C.
 Govind Das, Seth.
 Gulab Singh, Sardar.
 Hari Prasad Lal, Rai.
 Ismail Khan, Mr.
 Ivengar, Mr. A. Rongaswami.
 Jeelani, Haji S. A. K.
 Joshi, Mr. N. M.
 Kazim Ali, Shaikh-e-Chatgam Maulvi
 Muhammad.
 Ke'kar, Mr. N. C.
 Kidwai, Shaikh Mushir Hosain.
 Lohokare, Dr. K. G.

Mehta, Mr. Jamnadas M.
 Misra, Pandit Shambhu Dayal.
 Misra, Pandit Harkaran Nath.
 Murtuza Sahib Bahadur, Maulvi
 Sayad.
 Nambiyar, Mr. K. K.
 Narain Doss, Mr.
 Nehru, Pandit Motilal.
 Nehru, Pandit Shamlal.
 Neogy, Mr. K. C.
 Patel, Mr. V. J.
 Ranga Iyer, Mr. C. S.
 Ray, Mr. Kumar Sankar.
 Roy, Mr. Bhabendra Chandra.
 Samiullah Khan, Mr. M.
 Sarfaraz Hussain Khan, Khan
 Bahadur.
 Shafee, Maulvi Mohammad.
 Sinha, Mr. Ambika Prasad.
 Sinha, Mr. Devaki Prasad.
 Sinha, Kumar Ganganand.
 Syamacharan, Mr.
 Tok Kyi, Maung.
 Venkatapatiraju, Mr. B.
 Yakub, Maulvi Muhammad I.

NOES—55.

Abdul Mumin, Khan Bahadur
 Muhammad.
 Abdul Qaiyum, Nawab Sir Sahibzada.
 Ahmad Ali Khan, Mr.
 Ahmed, Mr. K.
 Aiyer, Sir P. S. Sivaswamy.
 Ajab Khan, Captain.
 Akram Hussain, Prince A. M. M.
 Ashworth, Mr. E. H.
 Bad'uz-Zaman, Maulvi.
 Bhore, Mr. J. W.
 Blackett, The Honourable Sir Basil.
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Calvert, Mr. H.
 Clow, Mr. A. G.
 Cocke, Mr. H. G.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Dalal, Sardar B. A.
 Fleming, Mr. E. G.
 Fraser, Sir Gordon.
 Gour, Sir Hari Singh.
 Graham, Mr. L.
 Hindley, Mr. C. D. M.
 Hira Singh Brar, Sardar Bahadur
 Captain.
 Hudson, Mr. W. F.
 Hussanally, Khan Bahadur W. M.
 Innes, The Honourable Sir Charles.
 Jinnah, Mr. M. A.

Lindsay, Mr. Darcy.
 Makan, Mr. M. E.
 Marr, Mr. A.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable Sir
 Alexander.
 Muhammad Ismail, Khan Bahadur
 Saiyid.
 Mutalik, Sardar V. N.
 Naidu, Mr. M. C.
 Pal, Mr. Bipin Chandra.
 Purshotamdas Thakurdas, Sir.
 Raj Narain, Rai Bahadur.
 Rangachariar, Diwan Bahadur T.
 Reddi, Mr. K. Venkataramana.
 Rhodes, Sir Campbell.
 Rushbrook-Williams, Prof. L. F.
 Sastri, Diwan Bahadur C. V.
 Visvanatha.
 Sim, Mr. G. G.
 Singh, Rai Bahadur S. N.
 Stanyon, Colonel Sir Henry.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Vishindas, Mr. Harchandrai.
 Webb, Mr. M.
 Willson, Mr. W. S. J.

The motion was negatived.

RAILWAY TRANSPORTATION SCHOOL AT CHANDAUSI.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, I am afraid we have riddled the Railway Member and the Railway Board with so many bullets in the shape of votes of censure during the last three days that I must make this motion* standing in my name to give them the measures of relief by the help of which they can recover from those shocks. Sir, one of the votes which we passed yesterday was a heavy vote regarding the heavy complaint, the long-standing complaint and the long-recognised complaint that the Indianization of the services both in the ranks of upper subordinates and in the case of officers has been too slow, and therefore we passed that vote. Now, the main reason why the Railway Board say that they are not able to do it is the fact that there are no training facilities and there is want of qualified people whom they can put in. My motion is to draw the attention of the Railway Board to the wholly inadequate facilities for training which have been afforded by the railway management for recruiting the necessary staff both in the class of upper subordinates and in the class of officers. This matter received attention in August 1921 in the report of the Acworth Committee in paragraph 184. After dealing with the question of Indianization in paragraph 183 they dealt with this question in paragraph 184, which I dare say Honourable Members have read and I do not wish to take up the time of the House by quoting it as I share the anxiety of the House that we should proceed with the Demands. There is only one sentence there to which I would like to draw the attention of the Honourable Members. It runs as follows:

“India is a wide country and facilities in the north are of little use to Madras.”

May I emphasize this sentence? Sir, this matter came up before the Railway Advisory Council when I was on it both in July 1923 and in February 1924. In July 1923 after the receipt of that able report of Mr. Cole which formulated schemes, we deputed a special officer to push on with the work. On the report of that special officer a scheme was placed before the Advisory Council in February 1924. We generally approved of the scheme. At that time the percentage of Indians to be recruited to superior posts was understood to be 50 per cent. only. Since then under the convention we have agreed to increase it to 75 per cent. Now, what is it that has been done in the last four years? That is the matter which I wish to inquire. We are told, Sir, in several places about this Chandausi School. Mr. Hindley refers to it on page 9 of the statement which he made in the other place. The 1923-24 Administration Report at page 64 also refers to this school and the Memorandum furnished to us accompanying the Railway Budget deals with this subject in paragraph 29. I am afraid, reading those three documents, there is a tendency to convert this school more into a training school for the subordinates already in service than to treat it as the place where duly recruited officers should receive their training. I should like to know whether this Chandausi School is intended for Indians and Indians only or whether it is intended for Indians and others. I should like to know also what accommodation is being provided in that institution, and how many newly-recruited officers are going to be taken in annually for training. Again, I should like to know also whether the whole of the candidates recruited throughout the country are to be driven only to that institution for training in traffic.

* “That the Demand under the head ‘Working Expenses: Administration’ be reduced by Rs. 500.”

[Diwan Bahadur T. Rangachariar.]

It is confined to traffic. As we all know, there is the more important service of civil engineering and mechanical engineering. As regards civil engineering heretofore the railways have confined their recruiting only to two colleges, Sibpur and Roorkee. There was a proposal to remove that restriction and take in all the engineering colleges as recruiting grounds. I wish to know whether that has been done. The more difficult question is the training in mechanical engineering. There are no facilities now in existence for Indians to get their practical training and also theoretical education. Now, I should like to know what steps have been taken in order to develop institutions for giving these facilities for instruction. These are matters that cannot any longer be neglected. We are providing large sums of money for these open lines. The railway companies are not able to spend the amount which has been granted annually for this purpose, and I do not know why they should not take advantage of these opportunities and open more institutions, one in the north, one in west India and one in south India, so that facilities for training may be provided to suit the conveniences of the people and be equally distributed throughout the country. How is it possible for persons in Madras, down in Tinnevely or Travancore to come all the way to Chandausi to receive instruction? It is hardly fair to expect this state of things to continue. I should like more speeding up in this matter, and the Railway Board to take a more keen and abiding interest in this most important question, otherwise there will be more votes of censure year by year; it will be a hardy annual and it will be difficult for the Government to resist the pressure from this House. Therefore, I ask that these things should be done.

One more suggestion I wish to make as regards prescribing the qualifications for these various services. Yesterday we were told that they advertised for 20 vacancies in the Locomotive and Carriage Department, and they got only 9 applications. I should like to know what were the qualifications which were being insisted on, were they English or Indian qualifications, and where did they advertise? Again I should like to know whether the Advisory Council is being consulted in this matter. These are matters in which the Advisory Council can give valuable help in prescribing qualifications. Therefore, I ask that more facilities should be given and that the Chandausi School should be enlarged, and more such institutions should be opened, one in west India and one in south India at least, and this matter should be promptly taken into consideration. Sir, I do not mean to pass any vote of censure; I wish merely to facilitate progress in this direction.

EDUCATION OF THE CHILDREN OF THE INDIAN RAILWAY STAFF.

Khan Bahadur W. M. Hussainally (Sind: Muhammadan Rural): Sir, I have got a motion standing in my name a little further down the paper, No. 71 on the List, and I had intended to raise a similar debate upon the general education afforded to railway employees, which necessarily would include the subject which my friend the Diwan Bahadur has moved. I would have taken that point separately, but as I know the time of the House to-day is very valuable and the guillotine is expected very shortly, I think I would best serve my purpose by drawing the attention of the Railway Board and the Commerce Member also to my point. Sir, I take a little interest in the education of all railway employees, and for that

reason I put a question a few days ago to my friend the Honourable Mr. Sim as to what amount of money was being spent by the North Western Railway upon the education of Europeans and Anglo-Indians on the one hand, and on Indians on the other, and the reply I got was this:

"The expenditure by the North Western Railway on the education of the children of European and Anglo-Indian employees during 1923-24 was Rs. 1,60,333, and on Indian employees Rs. 15,418. The cost per head of each class is Rs. 132 and Rs. 15, respectively. The value of the passes granted to children is not known."

Sir, I wish to draw the attention of this House to the large disparity in the amount of money spent by the North Western Railway upon the education of the children of Europeans and Anglo-Indians on the one hand and of Indians on the other. Calculating, I find that the total number of children that are educated with this amount of money is nearly equal for both classes. That is to say, whereas the Indian employees of the North Western Railway would be about ten or fifteen times the number of children of Europeans and Anglo-Indians, yet the amount of money spent upon the Indians' children was so meagre—less than 15,000 per year and Rs. 15 per head which means Rs. 1-4-0 per head per month. I ask you, gentlemen, to consider what kind of education would an Indian boy receive for this petty amount of Rs. 1-4-0 a month? I do not know what answer the Railway Board and the Commerce Member have to make and why they have not been able to take a larger number of children of Indian employees at school and why they have not been able to spend at least ten times the amount of money they are spending upon European and Anglo-Indian education. Why is it that Rs. 132 is being spent on the children of Europeans and Anglo-Indians and only Rs. 15 on the children of Indians?

Diwan Bahadur T. Rangachariar: If my Honourable friend would excuse me, my motion is intended to raise the question of facilities for persons being recruited to the staff. My Honourable friend is raising the question of what facilities are being given to the children of employees already in the service. That is not the object of my motion. The two things are quite different.

Khan Bahadur W. M. Hussanally: I am coming to that point, Sir. My object is simply to save time. I am coming to the point of my Honourable friend. If you think I am out of order, I will take up my matter separately, but to save time I thought it best to bring in my proposition along with his. My friend Diwan Bahadur has taken up the question of training from the technical point of view. I take it from a broader point of view, of general education, which includes technical training. If you like I will take my point separately, or if the House wishes to economise time, I will take the two together. I will not be long; I will take only three minutes more. As my friend behind me reminds me there can be no technical education without general education, therefore my point is not necessarily different to the Diwan Bahadur's. Sir, there has always been a complaint that Indians of sufficient education could not be had, and more especially the complaint has been that, so far as the technical departments of the railway are concerned, they cannot get educated Indians. The result has been that, go wherever you like all over India, you will hardly come across even one Indian foreman. Perhaps you may, in the south of India or in Bengal, but so far as I am aware, there are none on the North Western Railway, leaving aside the higher appointments of Loco. Superintendents, Carriage & Wagon Examiners and posts of that kind. Although we have got good workmen and artisans, yet the deficiency of their general education is one of the reasons

[Khan Bahadur W. M. Hussanally.]

why they are not being promoted. There are other reasons also, but why cannot the railways afford to educate the sons of these artisans the same way as they do educate the sons of Anglo-Indian and European employees, train them up and take them into service later on? If the sons of Indian artisans be given sufficient primary education, then secondary education, and finally technical education such as is required in the workshops, we shall soon have Indians occupying higher posts in technical departments. True the Railway Department is now going to organise one school at Chandausi for the Traffic Department and another school for technical training in the loco. department at Jamalpur. Now these schools may be good in themselves for higher training but the first question that arises in regard to these two schools is, where will you get Indian youths to take into these schools, if you do not take the sons of your employees and give them a sufficient general education so as to be fit for being taken into these proposed schools and thus to fit them for service from foreman upwards in the workshops and from station master upwards in the traffic department. You are fitting the sons of European and Anglo-Indian employees for service and you must follow the same policy in regard to your Indian employees. You ought to recruit your services with the sons of Indian employees and with this object in view you ought to give sufficient general education; and then and then alone will they be able to profit by the technical education that will be afforded at Chandausi and Jamalpur.

Sir, time is very valuable to-day. I do not want to keep the House upon this point any longer but I wish the Honourable the Commerce Member would make a pronouncement upon the policy he is going to adopt with regard to the general education of Indian artisans and workmen combined with technical education.

CONSTITUTION OF A SCHOOL OF SUPERIOR INSTRUCTION.

Mr. E. F. Sykes (Bombay: European): Sir, I have a motion on the paper of a somewhat similar tendency. The motion travels rather far into the future I am afraid, so I do not wish to say very much about it. It is well known that systematic instruction in the principles of railway management is not easy to get anywhere and in India it does not exist. The organisation of a railway and that of an army have many points in common. In an army we have a regimental spirit, and the equivalent of that spirit on a railway is the departmental spirit. They are both very excellent things in themselves but in excess they are apt to be somewhat of a nuisance. In the army the corrective of this spirit is, I believe, (my friend Colonel Crawford will correct me if I am wrong) the Staff College. The suggestion I make is that a similar corrective in railway administration is desirable. But the principal reason for my putting on this motion* is, as I said before, that there is no possibility of getting systematic instruction in these matters. I think the House will have some interest in this matter because the other day the Honourable the Commerce Member found it necessary to read the Labour Member the principles of this subject from a text-book. If such an institution as I suggest is established it will be possible by a slight extension of its activities for instruction in these principles to be imparted elsewhere than on the floor of this House.

* "That the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 100."

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, my Honourable friend Diwan Bahadur Kangachariar complained that there are not sufficient facilities in this country for the training of Indians for appointment as officers and superior subordinates of the Railway Department. My complaint goes much further. I have been definitely informed by not less than three Indians who have been to England to get themselves trained in the traffic and engineering branches of the railway industry, that the authorities there have issued instructions to the railways in England asking them not to entertain any more Indian apprentices. Now, Sir, I have received a letter from an apprentice in one of the railway workshops in India where he mentions this very point. This is what he writes:

“There are a good many Indian apprentices who want to get training in England at their own expense and according to the required standard of training laid down for the superior subordinates and officers’ posts but the authorities on the spot discourage these apprentices and are not willing to entertain any applications from them.”

So that it is not merely a case of failure to provide facilities in India, but it is also a case of making it difficult for Indian apprentices to get training even in England. I should like to know from the Honourable Member in charge whether it is not a fact that quite a number of Indians trained in England in the different branches of railway administration have not succeeded in getting any employment out in this country, and that their claims have been overlooked and the Railway Department has taken in men without any training in preference to these highly trained Indians. I should like to know the number of applications the Department has received from Indians with training of this character and the number that the Railway Department has yet succeeded in appointing to the various departments of the Railways.

The Honourable Sir Bhupendra Nath Mitra (Industries Member): My Honourable friend Mr. Neogy, Sir, has referred in his speech to the absence of facilities for the training of Indian youths in railway matters in England which according to him has been created by the action of the authorities in England who represent the Government of India. I have been in England quite recently and have been temporarily occupying the post of High Commissioner, and I can assure him that his information on the subject is not correct. There are two methods by which an Indian youth can manage to get his training under a railway administration in England. Firstly, the High Commissioner arranges with the railway authorities that a certain number of these youths should get training in traffic and other branches of railway work. No premium is recovered from these boys in regard to this training. The British railway companies are also willing to take a certain number of Indian youths if they pay the usual premium which the companies also take from British youths; and if an Indian youth is willing to pay the premium there is no difficulty in his securing an apprenticeship, subject to the condition that the British railways have got a place for an apprentice. The real difficulty arises from the fact that these young men who desire to be trained, want to be assured, before they go in for the training, that they will get employment under a railway administration in India. That of course is quite a different matter and I am pretty certain my Honourable friend the Commerce Member will deal with that aspect of the question.

Diwan Bahadur M. Ramachandra Rao (Godavari cum Kistna: Non-Muhammadan Rural): *Sir, I should like to intervene in this debate just

* Not corrected by the Honourable Member.

[Diwan Bahadur M. Ramachandra Rao.]

for a minute to urge upon the Honourable Sir Charles Innes and Mr. Hindley the absolute necessity of enlarging the training facilities in this country, and that the main method of recruitment should be from persons who are trained in this country. Sir, in connection with the Lytton Committee which I have mentioned so often in this House and of which I was a member, we had to investigate the question of training facilities both on the railways and in other technical departments in the United Kingdom. The difficulties of placing these persons in workshops and in finding training places for Indian youths are many, and I believe my Honourable friend Mr. Bhore when he was Joint-Secretary of the Indian Students' Department had to deal with these cases. Difficulties arise from the disinclination of trade unions, of men belonging to trade unions, to admit Indians into these training schools and workshops. These difficulties are real and the only solution is to expand our training institutions in this country. Many ex-officials appeared before the Committee and said that construction work in the United Kingdom was coming to an end and that there were better facilities in India both in the workshops and in the construction of lines for obtaining the necessary training. I wonder that nothing has been done so far; the question has been so often urged by very experienced Indian officials in this country, but the Government of India have been negligent in the past in providing these training facilities in this country and have driven our young men abroad for obtaining training which they should obtain in this country. Therefore, Sir, the question is of supreme importance; it has been urged very often from the time of the Islington Commission and nothing has been done up to this date. That is my impression in regard to technical institutions, more especially in the departments relating to Railways. Now I ask my Honourable friend Sir Charles Innes this question. Supposing he wants men for the Wagon Department; what he does is that he gets these covenanted Europeans into this country in large numbers and there is no way at present of obtaining the necessary training for Indians here. I would like to ask my Honourable friends how they propose to deal with this question. That is one thing.

The second point that I should like to bring to the notice of this House is that we are now adding Rs. 2½ crores for workshop equipment this year. When we have excellent workshops in this country, what is the difficulty that the railway department finds in affording the necessary facilities for training for the superior staff as well as for the subordinate staff? It is said that 75 per cent. Indians are to be recruited in this country. I would ask my Honourable friends to examine this question and to afford all necessary facilities so that we may have a sufficient supply of trained men from institutions in this country.

The last subject that I should like to refer to is this. We are now having a very large scheme of new construction. We have provided for a capital expenditure of Rs. 150 crores. I may say that when I visited England in 1921 there were as many as 400 Indian Engineering students who complained very bitterly that they could not get suitable opportunities of entering the Railway Department. The question is somewhat complicated by the fact that so far as companies are concerned, I am told that they are outside the influence of the Government of India. The percentage of Indians in the Railway Department in the Companies in the superior service is 11 per cent., whereas the percentage for the State railways is very much better—24 per cent. My Honourable friend Sir Charles Innes said it was

30 per cent. (*The Honourable Sir Charles Innes*: "Omitting the East Indian Railway.") Whatever it is, the question of recruitment and the question of Indianisation of services is largely dependent also upon the extent to which the Government of India are prepared to influence the railway administrations under company management to take Indians into the superior service and to afford all necessary facilities in various parts of the country in the various workshops under their control. Therefore, Sir, I put it to the Honourable Member definitely not really to say "Very well, we are doing all we can with reference to the State lines", but to bring his influence to bear also on Companies to take in Indians in larger numbers in the Company-managed lines, and also to afford facilities in the workshops attached to these Companies. It would not do merely to adopt an attitude of benevolence in this matter. I should like to have a full statement on this subject from my honourable friends; and unless we find the Government responsive in this matter we have a very legitimate ground for complaint; and I maintain the Railway Board has been very negligent in this matter in the past.

Mr. C. D. M. Hindley (Chief Commissioner, Railways): Sir, I welcome the opportunity of being able to explain to this House something of what we are doing in this very important matter of affording facilities for training. It is unfortunate that India is so large. Some of our Members here live at such a distance from where we work that it is extraordinary difficult for us to always keep them posted in what we are actually doing. I myself have been working on this matter for a great many years past and I have always taken a very keen personal interest in the particular matter of training railway staff in their duties in order to fit them for higher employment. I think it is necessary for Honourable Members to try and clear up certain misapprehensions in regard to this matter. It is very easy to generalise and to say there are very few Indian officers and therefore there are no means of training them. Now, the question of training as I understand it is not one which is entirely confined to the provision of training facilities for the officers' establishment. That, I admit, is one of the most important parts of the subject, but it is not all the subject and when I see Honourable Members confused in their minds with regard to facilities for training mechanics, and facilities for training workmen, and facilities for educating children and facilities for educating and training traffic officers, I am only sorry that the time at my disposal is not sufficiently long to enable me to explain the matter clearly as I see it.

It is always a difficult matter to know whether one should begin in describing this subject from the bottom or from the top, but my own view is that the future of our railways.

Diwan Bahadur T. Rangachariar: May I suggest that you deal with the top first?

Mr. C. D. M. Hindley: I cannot, Sir, fully explain this matter unless I am permitted to show it in the full light of my own understanding, and as I see it, because I maintain that I have had experience in this matter for many years and Honourable Members here, many of them, are only beginning to learn the subject. I do not wish to speak with any undue assumption of authority, but I must say that I have had a practical working knowledge of this particular subject for many years past—I have been brought up on a railway where I was in contact with workers from the bottom to the top and I know what their difficulties are and how they

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desire improvement in their work. Now, to eliminate one important misapprehension in regard to this subject, I should perhaps deal with some of the figures relating to the recruitment of officers. I shall go on to explain what we are doing in regard to training. It is very often assumed that there are large numbers of railway officers, that we have said we are going to recruit up to 75 per cent. in India in the future and therefore we ought to have a large number of recruitments every year. There is a fallacy there. The total size of our recruitment is not very large. One of our greatest difficulties in devising schemes that we have now devised for training has been to settle what the size of the recruitment is to be. The size of the recruitment must depend upon the normal flow of officers through the service. We cannot contemplate wholesale dismissals, as was suggested in the House yesterday, in order to make room for more people at the bottom and therefore we must be guided by practical necessities in fixing the size of our recruitment. To illustrate what that means, we have now estimated as nearly as we can the figures for recruitment in the next few years for the different main departments on our railways. In the Traffic Department we shall probably not require more than ten officers a year, if as many, for the State Railways; in the Engineering Department possibly it may work up to 16; and in the Locomotive Department 9. These are the three main departments. Now, I shall explain why I am giving these figures. The point is that you cannot on the strength of that small recruitment build up a very large central college or organisation for training and recruiting officers. That is our first difficulty.

Then we come to the possibility of utilising the existing institutions and organizations. We have given full consideration to this matter.

1 P.M.

I want to explain here that, in dealing with the recruitment of officers, we have considered the matter broadly on the lines of the three main departments which have to do railway work, that is to say,

Diwan Bahadur T. Rangachariar: May I know if you have included Companies Railways?

Mr. C. D. M. Hindley: I have not got the figures here. Dealing with these three main sections, Transportation, Engineering, and Mechanical, the criticisms which have generally been brought to bear on us in regard to this matter have been mainly in connection with the training of mechanical engineers. It has been stated that the slow recruitment of Indians in the mechanical departments has been due to want of facilities for training in this country. Now, Sir, here I was very glad to hear what Mr. Ramachandra Rao said in regard to the necessity for enlarging training facilities in this country. I would divert for a moment from what I was going to say, and point out that I very fully associate myself with what he said on this matter. I do think that this country with its large resources and its large railway works should be able to train the staff that is required for the railways of the future, and that is the direction in which we are now definitely working. We do deprecate young lads going Home on their own initiative even and getting a smattering of training in English railways. We feel that it is most undesirable that large numbers of lads should be induced to go Home and go through what is called training on English railways in the Traffic Department which is really of very little use to them in the future. And it is somewhat pathetic that a large number of these lads have done that, and it is not always possible to find places for them.

Now, to return to the Mechanical Department. That is the one department in which there is considerable difficulty in providing complete training for the officer of the future, because it is necessary, apart from workshop experience and scientific knowledge, that a locomotive officer who is to supervise in future large workshops and the running of a large number of locomotives should be trained and educated in the place where this kind of work is done in the very latest scientific way. That has been the stumbling-block in the past. On the East Indian Railway we attempted to get over that difficulty by a scheme which we introduced, I think in the year 1916, for a comprehensive course of training for locomotive engineers. The scheme roughly was that we selected certain Indian graduates and gave them practical training in the workshops for two years, and then we sent them to England for a period of three years for intensive training in locomotive workshops in Great Britain. I would just in passing remark that although it has been said that the Company-managed railways are perhaps behind in the matter of Indianization, there was a period when the East Indian Railway was in advance of the State Railways in the percentage of Indian officers employed in that railway. I merely mention this because I wish to emphasise the fact, that I know something about the subject. Now that scheme which we had in force on the East Indian Railway has been working, and a certain number of Indian officers have come out to India under that scheme and are now working. One or two have failed to make good. It must always be the case that where you select a small number of men, however well you select and however well you train them, some do not always make good. That we have got to face. Now what we propose to do with regard to the requirements of locomotive officers on the State railways is this. I have said already that we wish to assume as much as possible the responsibility for training in this country. We feel that much of the training as can be done should be done in this country, and we propose to adopt the system which has been in force on the East Indian Railway for some years, and to enlarge it, and to provide that a certain number of graduates should be selected annually and put through intensive training for a period of two years in a workshop, and then, after appointment to the local service, be sent Home on what might be called study leave for definite training in English workshops. It is essential, particularly in the matter of locomotive works, that these future officers of ours should be kept in touch with the latest development of workshop practice and locomotive practice, because our railways depend more and more upon our ability to absorb modern inventions and modern methods of working. That is roughly the scheme which we have arranged for locomotive training.

Now with regard to the engineers, I do not think the Railway Board has ever said that we have not facilities for training engineers in this country. There has been no difficulty about recruiting engineers. We have never said that there has been any difficulty in this matter. Many years ago the Government of India engaged themselves to the Colleges at Sibpore (now the Bengal Engineering College), and the Thomason College at Roorke to take a certain number of passed students from those colleges into the engineering services, and that is a matter of very long standing. We propose to gradually get rid of that obligation to those two colleges and to open the recruitment to all engineering colleges of the required standard in India. We shall devise the necessary means of selecting, by examination and otherwise, for recruitment which will include eventually all the engineering colleges of recognised standard. We must for a few

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years continue to take from those two colleges students who are now under training. That is the basis of our scheme. We have no difficulty, after taking a young man who has graduated in engineering or science from the engineering colleges, in giving him the necessary training in construction work and maintenance work which will fit him eventually to become an engineer.

With regard to the Traffic Department, the other large department, and one which is becoming of more and more importance, we have devised the scheme which centres round the Chandausi school. Now the Chandausi school is based upon the idea that I mentioned in the beginning of my speech that the future of Indian Railways depends entirely upon the standard of efficiency of the staff of the future in all grades. It does not depend solely upon recruiting 4 or 5 or 6 Indians per annum. It depends entirely on the amount of efficiency which can be imparted to the staff in their every-day work, and for that reason we are making Chandausi the centre of a system of schools on the main State Railway systems. These schools will provide courses of instruction for the subordinate staff. One has been in existence for some years at Asansol where all the staff engaged in train working are brought in by rotation from the different districts and passed through courses at the school. The school is equipped with models of mechanical equipment whereby the staff can perform under proper tuition the actual operations or work which they have to do in the ordinary course of their duties. That is the basis of the school at Chandausi. It will be, I hope, linked with the Asansol school, and possibly with another school on the North Western Railway and one on the Great Indian Peninsula Railway eventually. We are making a beginning with the school at Chandausi at once and hope to go on with the others. Now, associated with this school at Chandausi will be upper courses for officers. This is a point upon which I was specially asked whether there would be proper facilities for officers. We propose, just as the lower staff are to be trained in their duties, so we shall have courses for junior officers and any other officers who may need to go through refresher courses in the more modern methods of transportation. We shall also use this school for the training portion of the period of probation through which young probationer traffic officers have to go. They will be put through very carefully arranged courses of practical work on the railway and theoretical and other instruction at Chandausi school. We have made certain inquiries from the Company railways with regard to the use of the Chandausi school, and I believe that several of them will use this school as a means of giving technical courses to their officers. Certain other Company railways, when I asked them with regard to this school, about using it for training probationers, were extremely anxious that we should use it for training traffic department probationers from their railways, and we told them that we would endeavour, if we could, to enlarge the accommodation to take their men too. On that point several Agents said to me that if only they could get such men trained at a recognized institution we should be very glad to get them. That in effect is the general scheme of Chandausi school. It is not a place where young lads can go and be turned into railway officers by hearing lectures, and we have set our faces very definitely against the idea that any young student can be made into a railway officer by attending a course of lectures or even going through a college and workshops. That is a physical impossibility. What is needed is a combined course of training. That is to say, practical work on the railway

for a few months and then another few months of polishing up on theoretical work at the school; and that is the basis of the scheme. I was asked to give some information regarding the accommodation at this school and whether it was for Indians or Europeans. Now, Sir, should I have the face to come here and tell the House that we were putting up a school for training European officers at Chandausi? I think the Honourable Member perhaps only put that question to me to give me a lead to enable me to say what he knew I was going to say.

I must explain that Chandausi was hit upon for this school primarily because it was formerly the headquarters of a district on the Oudh and Rohilkhand Railway and there were some buildings which were thought to be convenient for conversion into a school. The officer who first recommended it to us was possibly an optimist. The station is fairly well situated as regards climate. It has not a bad climate and it is possible to work there in comfort pretty well all the year round; but the buildings which we have available there are not altogether suitable, and if we had been given an entirely free hand, if we had been able to get a little more time to consider the matter thoroughly, we should have gone elsewhere and started afresh on a flat piece of ground and built our school and hostels as we should have liked. And if I may assume, and I believe I am right in assuming, that this Assembly would grudge no expense in the matter of giving these training facilities to young traffic officers and to the traffic staff. If I am right in that assumption I can seriously look forward to the time when we may move to some better place where we may start afresh and build a school as we should like it to be and build the hostels as we think they ought to be. In the meantime we have done our best and we have to spend a certain amount of money on the existing place at Chandausi and we have made it possible to start work on the 1st March. We have arranged that there should be three hostels and one hostel will have 10 rooms reserved for officers. I have not got the exact figures, but roughly speaking we have three hostels, one for officers, one for upper subordinates and one for lower subordinates or rather, the lower subordinate staff will be put in special quarters. There will be of course no distinction as between Europeans and Indians at this school, except in regard to messing, and there we are arranging for messing to suit the various requirements of the different people who will go there. Now, on the first of March we are starting with a class . . . (*Diwan Bahadur T. Rangachariar*: "How do Europeans come in in the hostels?") I do not think the Honourable Member wants to exclude all Europeans from this institution. We are arranging as I have said for training our existing staff—our existing upper subordinate staff, our existing officers and our existing lower subordinate staff. I have now got the exact figures. We have room for 10 officers, 20 upper subordinates and 75 lower subordinates, and the messing arrangements as I say will be devised according to the requirements of the different students. Then, Sir, this school is equipped with lecture rooms and models of the different kinds of technical equipment which has to be used in train working. The actual stations are reproduced in model form and there are signals and there will be trains working—models running round the room—and the staff will be drafted in to work as station masters, assistant station masters and so on, to do the actual duties which they have to perform on the railways. This, Sir, is the practical aspect of the scheme and one which perhaps would interest Honourable Members of this House and which they would like to see.

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as I hope they will do next cold weather. It is a matter which I am certain would interest a very large number of people. But it is perhaps a somewhat trivial side of the very large work which we are undertaking and commencing in connection with this school. It will be the central organization of our complete system of railway training; and here I think I have the sympathy of Mr. Sykes because what we are doing is really what he proposed just now; and although we cannot very well start a Staff College such as they have at Quetta, primarily because we have not sufficient numbers to deal with, I believe firmly that we shall eventually get to something of the kind and we shall gradually add to our facilities at Chandausi—facilities for courses in other subjects connected with railway work. If we go to some other place we may be able to get on a little quicker in providing the necessary buildings so as to enable us to extend in that way.

Now, Sir, I do not think my dealing with this matter would be quite complete if I did not refer to what has been done in the past in regard to training several other classes of the staff. Mr. Ramachandra Rao told us that we have done nothing. He said that nothing has been done; there is no way at present of training mechanics and nothing has been done up to date by the Railway Board and he thought the Railway Board were extremely negligent. My work in connection with this subject of training mechanics, training workmen and training people to be foremen goes back to more years than I can remember, and the school which has been referred to here, the school at Jamalpur, was devised by me several years ago when I was on the East Indian Railway. (*Diwan Bahadur M. Ramachandra Rao*: "May I explain that what I said really referred to the training of superior officers.") Well, Sir, Mr. Hussanally and other Members referred to the want of facilities for training apprentices. If the House is generally satisfied that we have made sufficient provision for training mechanics and training apprentices perhaps it will not be necessary to go into the matter.

But I should like to say something about what is being done and what has been done at Jamalpur, because we have so frequently hurled against us this accusation that we are doing nothing to train Indian mechanics and to give them an opportunity of becoming foremen. It is often said that we are importing large numbers of covenanted mechanics to deal with matters in the Carriage and Wagon Department and in the Locomotive Department. That is not the case. We do have to import a certain number of specialists; and I do not believe that this House, however ardent it is in its desire to encourage the advancement of Indians in the railway services, however ardent it may be in its desire to encourage the Indianization of the railway services, would like us to be cut off entirely from importing specialist officers or mechanics so far as they can help us to keep up to the standard that is required in modern railway working. That is a matter which I should like the House to consider very carefully. We must keep up to date in these matters, or we shall stand still or go back. There is no country in the world that can afford to cut itself off entirely from the scientific work and the advancement that is going on in Great Britain—and here I speak advisedly because even the great locomotive factories in the United States of America, which are perhaps the largest in the world, still have to indent upon Scotland and the north of England for Mechanical Engineers or supervisors.

At Jamalpur, Kanchrapara and other large workshops we have schools alongside of the workshops where apprentices are trained in the theoretical side of the work they are doing in practice in the workshops. Under the scheme at Jamalpur—which is now being completed—the school itself was in a temporary building—arrangements are made for the recruitment of I think an equal number of Indian and Anglo-Indian lads, and they are put through the same training and dealt with exactly in the same way, and when they finish their apprenticeship they are taken on in the workshops as mechanics or chargemen. Now at Jamalpur, since I left the East Indian Railway, they have enlarged upon the system in force before and they have extended the instruction to a very much larger number of apprentices than I ever contemplated or thought possible. When I asked the Superintendent the other day how many apprentices he had under training, he said he thought they were over 1,200—and the meaning of that was that they have now adopted a new method of recruiting their labour by recruiting them as boys; by taking the sons of their existing workmen into the workshop as boys and giving them a regular training from the age of perhaps 12 or 13 accompanied by vernacular training in the practical methods that they have to use in the workshop—arithmetic, mensuration and so on. That I think is a very complete answer to the charge that we have done nothing and that we are negligent in this matter of the training of staff. (*Diwan Bahadur T. Rangachariar*: “What about South India?”) I am not quite certain of what is being done at the existing workshops there, but we are building on the South Indian Railway a very large new workshop at Trichinopoly and I am quite certain that accompanied with that large workshop there will be a technical school for the training of apprentices. If that has not been arranged, I shall make a point of seeing that some such scheme is arranged for. I hope this House will not grudge the extra money that will be necessary. (*Khan Bahadur W. M. Hussanally*: “What about the North Western Railway?”) Does the Honourable Member know anything about the training of apprentices at Moghalpura? If he does not, I have given a description of the Jamalpur training scheme and for the benefit of Members from Calcutta I might go on to give a description of the scheme in force at Kanchrapara which I assisted in devising for the Government of Bengal, and then I might proceed to give an account of what is being done in other parts of India, for instance, in the Victoria Jubilee Technical Institute, Bombay, which deals with apprentices for the Great Indian Peninsula and the Bombay, Baroda and Central India Railways. On the Madras and Southern Mahratta Railway, which has not been referred to by any Member here, I have just seen a scheme which the Agent has put forward for the training of Indians on that railway. (*Diwan Bahadur T. Rangachariar*: “Is it at Perambur?”) In connection with a wider scheme still, under which the Agent is arranging to recruit probationer officers for each of his Departments, and which has just been sanctioned by his Home Board.

Now, Sir, I have done my best to give, I am afraid very imperfectly, a complete survey of the arrangements which the Railways have in hand for the training of the staff, and I have also given some indication of our future arrangements for recruitment. The actual question of recruitment and the methods by which these people will be recruited for the superior services is still under consideration because certain matters have not yet been entirely settled, but we hope very shortly to issue some communiqué.

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on the subject which will explain the matter quite fully. (*An Honourable Member*: "I move that the question be now put.") I should like to emphasize once more that there is nothing which I consider of greater importance to the Railways of India and the future staffing of the Railways in India than a complete and a properly co-ordinated scheme of training for all classes of the staff from the top to the bottom, and I hope Honourable Members will take that assurance from me as sufficient for them to refuse to pass this vote of reduction.

Diwan Bahadur T. Rangachariar: With your permission, Sir, and with the leave of the House, I should like to withdraw my motion.

Khan Bahadur W. M. Hussanally: In that case, Sir, as I have got no reply to the point I raised as to why such a small sum was spent on the education of the sons of railway employees, I shall move my proposition when my turn comes.

The motion was, by leave of the Assembly, withdrawn.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly reassembled after Lunch at Half Past Two of the Clock, Mr. Deputy President in the Chair.

Lala Duni Chand (Ambala Division: Non-Muhammadan): I thank you, Sir, for having given me an opportunity to move my motion regarding the sleepers contract; but I beg to say that I cannot avail myself of this opportunity, as I have been commanded under the iron discipline of my party to withdraw it, and therefore I withdraw it.

Mr. N. M. Joshi: I propose that speeches hereafter be limited to 5 minutes only.

Mr. Deputy President: Mr. Kumar Ganganand Sinha.

Khan Bahadur W. M. Hussanally: Before proceeding further, Sir, may I know if you allow me to move my amendment, because I have got no reply from the opposite Benches with regard to the amendment, and I should like to move it without making any speech.

Mr. Deputy President: We will come to that later.

REMOVAL OF RAILWAY OFFICES FROM SAHEBGUNGE.

Kumar Ganganand Sinha: Sir, I rise to move:

"That the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 100."

The question which I want to place before the Assembly is the question of the removal of railway offices from Sahebgunge. This question would have been raised on the 5th instant, as the House is aware, had I not in pursuance of the wishes of a large number of my colleagues not moved my Resolution on that day for facilitating discussion of the Bengal Ordinance.

My apology for bringing this local question before this House is simply that there is no other place where I can raise this question. Before I enter into my grievances, I should like to enlighten the House about Sahebgunge itself. It was a small village at first, but it grew into a town, when the place was made a loop district headquarters. It receives goods for transport through the Eastern Bengal Railway from Katihar and Manihari in the Purnea District and through the East Indian Railway from Sultangunge, Jamalpur and also from Bhagalpur City, which may be said to be the centre of the whole Bhagalpur Division.

Mr. K. Venkataramana Reddy: On a point of order, Sir. Is the Honourable Member allowed to go back to Demand No. 1 and move a reduction thereunder, while we are discussing Demand No. 4?

Mr. Deputy President: That reduction related to Demand No. 1 and Mr. President has allowed him to move it under this.

Kumar Ganganand Sinha: It further receives a considerable amount of commodities through the river from those parts of the country where there are no railway lines. With the increase of trade the importance of the railway loop district multiplied. One who saw it last year would bear testimony to the fact that it was a neat little town, fully equipped with all necessities of life and peopled mainly by the railway staff who had been responsible for giving the place the light and colour which it represented. When the Divisional Scheme was under consideration, the air became thick with suspicions and the leading men of the locality sent long applications to the Railway Board expressing their fears and asking them not to do any thing which should act as a deathblow to the prosperity of Sahebgunge. The reasons which they adduced in support of their contentions may be briefly put as follows. I am reading from the memorial of the leading residents of Sahebgunge subsequently submitted to His Excellency the Viceroy and to His Majesty's Secretary of State, on the subject. The reasons adduced are:

"(1) As admitted by the Agent, East Indian Railway, and the Board of Directors, London, Sahebgunge is the centre of the proposed Division and Howrah, the terminus. Central position is more conducive to administrative control and supervision and is especially useful in times of accidents and strikes.

(2) In point of importance and density of traffic the Loop District does not suffer in comparison with the other districts, the Howrah District not excepted, barring, of course, the traffic at Howrah which, by reason of its unique position, should by itself constitute a separate division and may, with advantage, be placed under the Traffic Manager, Howrah, and considering that the Agent, the General Traffic Manager, the Superintendent General and the Traffic Manager will have their offices at Howrah and Calcutta, it is not at all likely that the Howrah traffic will suffer in the least in case a Divisional Office is established at Sahebgunge instead of at Howrah.

(3) By this change Sahebgunge, which is a railway colony and which owes its prosperity and progress to its present position as the headquarters of the Loop District, will be reduced to the condition of a deserted village, while Howrah will not be a gainer in any respect.

(4) There are many flourishing stations in the Loop Line that are guided and controlled from Sahebgunge. It is not possible to pay the same amount of attention to them from Howrah with the inevitable result that they shall suffer a commercial death.

(5) The amount aggregating to nearly five lakhs spent only two years back in the erection of offices and quarters at Sahebgunge will be wasted and fresh offices and quarters will have to be built at Howrah, involving considerable additional expenditure.

(6) The Loop District comprises two of the biggest branch lines, viz., the Barharwa-Azimganj-Katwa and the Bhagalpur-Banshi, besides several other minor ones and commands an extensive goods and parcel traffic, thus justifying an independent existence..

[Kumar Ganganand Singh.]

(7) The removal of the railway offices from Sahebgunge to Howrah will put the poor office staff to much inconvenience and hardship owing to the higher cost of living and dearth of accommodation at Howrah and the East Indian Railway schools, high and primary, at Sahebgunge will be adversely affected.

(8) The removal of the offices to a remote terminal position, while making it impossible for the Administration to exercise effective control and supervision, will greatly increase the sufferings of the line staff, as it is hardly possible from a terminal position far removed from the centre of activity and confronted with work of appalling magnitude to do adequate justice to their claims in regard to leave, passes, transfers, etc."

There are some other points, Sir, but I do not want to refer to them. I think these 8 points are enough to make the position clear to the House that the removal of the railway offices from Sahebgunge is not justifiable. I put a string of questions on the subject during the Simla session but was told that the matter was under consideration and it was impossible to know anything about it then. After the Simla session and before I came here, the game was up. The offices were ordered to be removed to Howrah and I got the following information from the Railway Board:

"In reply to your letter of the 13th November 1924, I am directed to state that the decision of the East Indian Railway Administration to locate the divisional headquarters at Howrah rather than at Sahebgunge was arrived at only after an exhaustive examination of the whole question. The Agent, while sympathising with the local point of view of the residents of Sahebgunge, decided that the main consideration to be taken into account was the efficient operation of the railway, and with that essential object in view, he selected Howrah as the headquarters of the division."

Then it goes on to say:

"The Railway Board do not propose to reply in detail to all the points raised in paragraph 3 of your letter, since you have given notice of a Resolution in the Assembly which will give an opportunity of full discussion of the whole question."

So this is the opportunity which I have got at the present moment. The House will thus see that the objections taken to the removal of the offices from Sahebgunge are still unanswered. I stand unconvinced as to the wisdom of locating the headquarters at Howrah instead of at Sahebgunge. Sahebgunge has everything to lose by this change. It may be that the highly-paid officers who will be transferred to Calcutta may enjoy all the amenities of life, but what about the poor clerks and other staff who also go there, especially after the Honourable the Commerce Member's callous apathy to the betterment of their lot which he displayed when he replied to the debate raised by my Honourable friend Mr. Acharya the other day? As it will not be possible for me to reply to the Honourable Member afterwards, I propose to deal with the question a little more closely and will also go into some particulars.

It might be argued that additional accommodation at Howrah will cost only about Rs. 50,000 in round figures. True, the amount is small; but it must be borne in mind that it is so because it does not include provision for bungalows for officers and quarters for the staff who will thus be put to endless trouble and inconvenience on account of the ruinous house rents at Howrah and Calcutta, while the Presidency allowance granted to them involving a recurring expenditure of nearly Rs. 36,000 per annum which I understand will be given to them, will be far too inadequate to give them any appreciable relief from the prevailing high prices of foodstuff and the exorbitant house rents in the metropolis. Then, Sir, it might again be argued that the working expenses will be reduced by 20 per cent. reduction of office staff. I beg to submit in this connection, Sir, that the reduction

will be more nominal than real and will affect only the poor Indian clerks and office peons. It is understood that about 20 clerks drawing Rs. 28 each and ten peons drawing Rs. 12 each will be discharged as a result of the proposed reduction, the savings expected thus approximating to Rs. 700 monthly which will be more than counterbalanced by the monthly recurring expenditure of Rs. 3,000 in the shape of Presidency allowance to 13 officers, one office Superintendent and 170 clerks.

(At this stage Mr. Deputy President vacated the Chair, which was taken by Mr. President.)

Then, Sir, it may be reasonably said that Howrah has been selected in preference to Sahebgunge for it is a centre of population, trade and industry in which respect there can be no comparison between the two places. I admit that there can be no comparison between Howrah and Sahebgunge in that respect, as we know that the traffic is far greater on the Howrah side of the loop line than on the Sahebgunge side. It might, again, be said that the loop merchants will profit by the change as 70 per cent. of the traffic from the Loop is consigned to points in or near Howrah while 40 per cent. of the traffic to the Loop is despatched from Howrah. But, I beg to point out to this House that the unequal combination of the two Districts of Howrah and Sahebgunge is likely to prove disadvantageous to the weaker side, namely, the Loop. On account of its favourable position as the headquarters of the East Indian Railway Administration and its close proximity to the premier city in India, Howrah is not likely to suffer if a Divisional Office is formed at Sahebgunge, but the Loop district is bound to suffer if the office is located at Howrah, as the Calcutta merchants receiving or despatching goods to districts other than the Loop will engross the whole attention and this will increasingly happen when the Grand Chord is doubled. That there is no attempt at doubling the Loop line is enough to establish this point. Further, we are distressed to find that the Sakri-Manihari Ghat Line has not been thrown open to goods traffic nor has the proposal to open the Bhagalpur-Bausi line materialised yet, though representations have been made by two successive Governors to the railway authorities on this very important subject.

Sir, I have only one more claim to urge on this House. It is this. Sahebgunge being a railway colony, the only place that can properly be compared with it is Tundla. But Tundla, on account of its being situated on the main line in close proximity to the capital of India and having goods and parcel traffic of a much less important character, may do without a sub-divisional office, but the Loop, being the oldest and at the same time the most neglected of all the districts, commanding an extensive goods and parcel traffic and containing two of the biggest branch lines—the Barharwa-Azimganj-Katwa and the Bhagalpore-Bausi—can by no means do without a sub-divisional office. Again, if in the interests of the proprietors of collieries there can be a sub-divisional office at Dhanbad which is only two or three hours' journey from Asansol, there being both telegraphic and telephonic communications between the two places, there is no reason why in the interest of the voiceless millions of the Loop district there should not be a sub-divisional, if not a divisional office at Sahebgunge. (An Honourable Member: "I move that the question be now put.") In the circumstances which I have explained I would appeal to the Members of this House to consider this matter sympathetically in the interests of our poor countrymen.

Mr. President: Motion moved :

“ That the Demand under the head ‘ Working Expenses : Administration ’ be reduced by Rs. 100.”

Mr. C. D. M. Hindley: Sir, every one I think will sympathise with the plea which the Honourable Member has put forward in regard to Saheb-gunge, that neat little station with all the amenities required for comfort and ease, which is largely the product of the industry and the care of the railway authorities and the railway staff. Now, Sir, although many Members coming from other parts of India may think that the interests of this little town of Sahebgunge are of little importance, the question the Honourable Member has raised in putting this plea before us is a very important one of principle because there are in the course of reorganisations of railways many occasions when it becomes necessary to shift the headquarters of a district or a division from one town to another out of regard for reasons connected with the improvement of proper supervision of transportation. This morning I had to mention one case of a similar nature where Chandausi, formerly the headquarters of a district, has for some years been more or less deserted as a railway colony, and the buildings are now to be used for another purpose. But I think I must emphasize the fact that where it becomes necessary to make such changes in the interests of the railway as a whole, which are the same as the interests of the public, we cannot allow local considerations and local demands and pleas to influence us in our arrangements for redistribution and reorganisation of work. The Honourable Member has given the views of himself and the public of Sahebgunge on this very important question of railway reorganisation, and it would not be fair to leave the House under any misunderstanding as to the reasons which have guided us in deciding to move the headquarters of the district away from Sahebgunge. The operation of reorganisation of the East Indian Railway is a very important one and involves very much larger principles than are concerned in the question of a certain amount of accommodation more or less at Sahebgunge or Howrah. It is perhaps known to Honourable Members of this House who have read some parts of our Administration Report, that we have had this matter of reorganisation under consideration for some time, and we have definitely decided to introduce what is called the divisional organisation on the East Indian Railway. That organisation we hope will lead to a very great improvement in the handling of traffic and very considerable improvement to the services which we are able to render to the public. I will only instance the results which have accrued from the adoption of that system of organisation on another great railway. On the Great Indian Peninsula Railway in November 1922 a somewhat similar organisation was introduced and very considerable benefits have resulted. I may mention that subsequent to the introduction of that system, although I must admit that it was not entirely dependent upon the new arrangements introduced, the working expenses on the Great Indian Peninsula Railway dropped from 97 per cent. to 67 per cent. and they were able to convert a deficit on their interest charges of over 2 crores into a surplus of 89 lakhs. They were able to handle their traffic with very much fewer wagons, and in fact there were general benefits throughout the system from the introduction of this new organisation. The essence of it is that within a division, which is a large area of the railway, one divisional superintendent, with the necessary technical and other staff under him, has complete sway over all transportation matters. Under the departmental system, under the system now existing and formerly existing, each department had its own jurisdiction within each district of

the railway, and it has been found that this has led to want of efficiency and waste of effort. The divisional system entails combining these smaller areas into larger ones, and the concentration of district officers into the divisional offices, where there will be one Divisional Superintendent and several other staff officers working with him. That, Sir, is the origin of what is called the move of the headquarters from Sahebgunge to Howrah. It is in fact an enlargement of the area which has been worked from Howrah. The present Sahebgunge district, consisting of the loop line and the Barharwa-Azimgunge line, will be added to the Howrah district, and the whole will be worked as a division from Howrah.

Sahebgunge, however, will not suffer in many of the ways which were anticipated by the Honourable Member. He emphasized the fact that its position and prosperity were very largely due to the transport of goods coming across the river from Eastern Bengal and from various districts, and from the river itself, and no move of operating offices or no rearrangement of railway officers will affect the position of Sahebgunge as a trade centre. The traffic will continue to move as it moves now. Sahebgunge and the Loop line will benefit just as any part of the East Indian Railway will benefit by the reorganisation, and I do not think for a moment that local interests at Sahebgunge, in so far as they concern the clients of the railway, that is the general public, need have any fear that they will be overlooked.

It is of course a fact that the importance of the town will be somewhat reduced by the fact that a District Traffic Superintendent and District Engineer will not be living there any longer, but the removal of this headquarters will not seriously affect the arrangements at Sahebgunge. The station will continue to be a large railway colony. Certain officers and their staff will continue to have their headquarters there and arrangements will be made under which all the existing buildings will be occupied. The parallel with Chandausi I might mention again exists, and it is proposed to place at Sahebgunge in some of the disused buildings a telegraph training school which has to be moved from another station, where there is insufficient accommodation; so that possibly Sahebgunge itself may benefit by having a school there instead of a District Traffic Superintendent's office. The existing railway schools and other schools will still get their pupils from the railway colony and will not therefore suffer. And to a certain extent the staff at Sahebgunge itself will benefit because some of them are at present without quarters, and by the removal of others from that station there will be more chance of their getting the quarters to live in. As the Honourable Member has said, the additional expenditure involved by providing accommodation at Howrah will be certainly under Rs. 50,000, and is estimated at about Rs. 36,000. But in any case the matter is of such very great importance to the railway as a whole that, even if we had to spend more at Howrah, and even if we had to cause a certain amount of inconvenience to certain railway staff, we should have to carry it out because we believe it to be the only solution of the problems arising out of ever-increasing traffic and of dealing with it under modern conditions. I have, Sir, I think fully answered all the points raised by the Honourable Member, and I might say I am very much obliged to the House for their patience in listening to me because I particularly wanted an opportunity during this debate of saying something about the introduction of this divisional system which is really of very great importance and a very outstanding event in railway history.

Mr. H. M. Joshi:

Mr. Jamnadas M. Mehta: } I move that the question be now put.

The motion was adopted.

Mr. President: The question is:

"That the Demand under 'Working Expenses: Administration' be reduced by Rs. 100."

The motion was negatived.

Mr. Gaya Prasad Singh: I do not want to move my amendment No. 65:

"That the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 100 from the provision for Steam Boat Service."

Mr. C. Duraiswami Aiyangar: Sir, with regard to my amendment* No. 72, all that I wish to say is expressed by the words "top-heavy administration and ill-paid subordinates".

EDUCATION OF THE CHILDREN OF INDIAN RAILWAY STAFF.

Khan Bahadur W. M. Hussanally: Sir, may I formally move my amendment? (*Voices:* "No, no.") I have very little to add to what I have already said in regard to this matter. A very small sum of money has been spent on the education of the sons of Indian employees in comparison with the very large amount of money spent on the children of European and Anglo-Indian employees. I therefore propose a cut of Rs. 100 to be made so as to draw the attention of the Railway Board and to enable them to increase their expenditure upon education for the sons of Indian employees. I move that the Demand under the head "Working Expenses: Administration" be reduced by Rs. 100.

Mr. C. D. M. Hindley: I understand the Honourable Member to raise the point of the payments made for the education of children of the railway staff. Is that the point raised by the Honourable Member?

Khan Bahadur W. M. Hussanally: Yes. Rs. 1,60,000 is being spent upon the general education of boys of European and Anglo-Indian employees on the North Western Railway, whereas only Rs. 15,000 is being spent upon the sons of Indian employees for this purpose.

Mr. C. D. M. Hindley: Sir, I do not wish to deal at any length with this matter because it is a question which the Railway Board at present have under consideration; but I would like Honourable Members not to run away with the idea that there is any strict comparison between these two figures. The education, primary education, of such Indian employees and of railway employees generally throughout the country is not a matter for which the Railway Department is primarily responsible. That responsibility rests with the Local Governments and local bodies and there are cases where railway administrations have come to the assistance of their employees owing to the absence of educational facilities in their particular locality. There are stations where we have for many years provided and maintained schools at our own expense because the local authorities have not come to the assistance of our staff. That is the basis on which education has been dealt with.

With regard to the other matter the Honourable Member has mentioned, we have the matter under consideration and we have not yet arrived at any conclusion on the subject.

* "That the Demand under the head 'Working Expenses: Administration' be reduced by Rs. 100 (Top-heavy administration and ill-paid subordinates)." ~~be reduced by Rs. 100 (Top-heavy administration and ill-paid subordinates).~~

Khan Bahadur W. M. Hussanally: I move my amendment.

Mr. C. D. M. Hindley: May I just say one word more. If the Honourable Member is not satisfied with my answer perhaps he will come and see me

Khan Bahadur W. M. Hussanally: I am *not* satisfied when such a large sum of money is being spent on the education of one class. I think the Indian employees are entitled to an expenditure ten or fifteen times as large; and if the Railways spend for the education of one class I think they ought to spend for the education of the other class as well. If I get a promise that the matter will be looked into and that the expenditure on the education of Indian employees will be increased by a very large amount, I shall withdraw but not otherwise.

Mr. C. D. M. Hindley: I can say nothing further than that the whole matter is under consideration. I certainly cannot make any such promise as the Honourable Member requires. The matter is under consideration and everything possible will be done.

Mr. President: The question is:

“That the Demand under the head ‘Working Expenses : Administration’ be reduced by Rs. 100.”

The motion was negatived.

Mr. President: The question is:

“That a reduced sum not exceeding Rs. 11,91,99,900 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘Working Expenses : Administration’.”

The motion was adopted.

DEMAND NO. 5.—WORKING EXPENSES: REPAIRS AND MAINTENANCE AND OPERATION.

Mr. President: The question is:

“That a sum not exceeding Rs. 42,61,47,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘Working Expenses : Repairs and Maintenance and Operation’.”

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely; Non-Muhammadan Rural): Perhaps the Honourable Sir Charles Innes will send this also to the Finance Committee, Sir?

The Honourable Sir Charles Innes: Sir, I understand Mr. Rama Aiyangar wishes to ask me whether I am prepared to make the same offer with regard to these reductions (Nos. 81 to 89) as I made with regard to his proposal for the reduction of 80 lakhs. I am quite prepared to make that offer. As I said in my previous speech, I understand Mr. Rama Aiyangar has explained his views in a series of articles which he has printed and circulated for the benefit of other Honourable Members. I will have those articles critically examined by the Railway Board and the result of that examination will be placed before the Finance Committee of which Mr. Rama Aiyangar is a Member so that the whole matter may be thrashed out there.

Mr. President: *That refers to 81, 82, 84, 85, 86, 87, 88 and 89.

*81. That the Demand under the head 'Working Expenses: Operation and Maintenance—Way and Works' (page 12) be reduced as follows:—

	Lakhs.
B. B. and C. I. Railway ...	5
E. B. Railway ...	20
E. I. Railway ...	10
G. I. P. Railway ...	6
N. W. Railway ...	20
O. and R. Railway ...	7
S. I. Railway ...	12
Burma Railways ...	15
M. and S. M. Railway ...	5

82. That the Demand under the head 'Working Expenses: Operation and Maintenance—Rolling Stock' (page 12) be reduced by Rs. 50 lakhs.

84. That the Demand under the head 'Working Expenses: Operation and Maintenance—Operation—Locomotive running expenses' (page 12) be reduced as follows:—

	Lakhs.
B. N. Railway ...	4
G. I. P. Railway ...	10
O. and R. Railway ...	1
B., B. and C. I. Railway ...	6
Burma Railways ...	24
M. and S. M. Railway ...	3½
S. I. Railway (Metre) ...	5

85. That the Demand under the head 'Working Expenses: Operation and Maintenance—Operation—Oil, Tallow, etc.' (page 12) be reduced as follows:—

	Lakhs.
B., B. and C. I. Railway ...	2
E. I. Railway ...	1.5
S. I. Railway (Board) ...	33

86. That the Demand under the head 'Working Expenses: Operation and Maintenance—Operation—Maintenance and renewal of locomotives and Plant and Machinery' (page 12) be reduced as follows:—

	Lakhs.
B., B. and C. I. Railway ...	10
G. I. P. Railway ...	25
M. and S. M. Railway ...	5
N. W. Railway ...	30
O. and R. Railway ...	5
S. I. Railway ...	7

87. That the Demand under the head 'Working Expenses: Operation and Maintenance—Operation—Wagon expenses' (page 12) be reduced as follows:—

	Lakhs.
B. N. Railway ...	5
S. I. Railway ...	5
Burma Railways ...	5

88. That the Demand under the head 'Working Expenses: Operation and Maintenance—Traffic Expenses' (page 12) be reduced as follows:—

	Lakhs.
B., B. and C. I. Railway ...	10
E. B. Railway ...	5
O. and R. Railway ...	7
A. B. Railway ...	4

89. That the Demand under the head 'Working Expenses: Operation and Maintenance—Fuel' (page 12) be reduced as follows:—

	Lakhs.
B. N. Railway ...	5
B., B. and C. I. Railway ...	15
G. I. P. Railway ...	30
N. W. Railway ...	5
O. and R. Railway ...	2
Burma Railways ...	6
M. and S. M. Railway ...	6
S. I. Railway ...	6

Mr. K. Rama Aiyangar: Not to 82, nor to 83.

I take it that Sir Charles Innes proposes to include my further amendments* Nos. 179 to 181 also which relate to Strategic Lines.

The Honourable Sir Charles Innes: I have no objection at all.

Mr. K. Rama Aiyangar: On that assurance, I do not propose to move any one of these amendments standing in my name.

Mr. President: I understand that No. 83 stands outside that category and that it is not included in that arrangement. It stands against the names of Mr. Rama Aiyangar, Kumar Ganganand Sinha and Sardar V. N. Mutalik.

WRITING DOWN THE VALUE OF STORES.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I rise to move amendment No. 83 on Demand No. 5 which reads:

"That the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 50 lakhs."

I referred, Sir, to my main reason for moving this amendment in my general remarks on the Railway Budget; and I expected a reply from the Honourable the Commerce Member when he replied to the whole debate. I attach such importance to one of the aspects of this amendment which I now bring before the House that I brought it up in the course of the general discussion; but the Honourable the Commerce Member thought fit to allow a reference to that part of my remark to be crowded out in the course of his reply. I will endeavour to summarise here ever so briefly the main two points on which I wish to press this matter for the acceptance of the Government primarily and failing that for the acceptance of this House. I ask for this reduction on two grounds. One is that this amount of 50 lakhs, or indeed any amount for depreciation in stores, should be written off by Government in the Department in view of what has been said by the Honourable the Finance Member in his budget speech last year. I do not wish, Sir, to read to this House that part of the Finance Member's budget speech; I only refer to it and say that it is given in paragraph 41 of Sir Basil Blackett's speech last year. I am aware that just after we began after lunch a wish was expressed by one Honourable Member of this House that speeches on amendments should not now exceed five minutes. I wish that I could meet with any grounds which the Honourable Commerce Member put forward in opposition to the point I put forward in the main debate; but not having heard his objection I content myself again with repeating that ground.

The second and the more important reason why I press for this is that I feel that in view of that assurance given to us by the Finance Member last year and further in view of the fact that there is no mention at all in any of the papers submitted to us or in the Honourable Commerce Member's speech regarding the total amount written off for depreciation of stores during this year or proposed to be written off next year, I am at a

*179. That the Demand under the head 'Strategic Lines—Operation— Other than fuel' (page 40) be reduced by Rs. 10 lakhs.

180. That the Demand under the head 'Strategic Lines—Fuel' (page 40) be reduced by Rs. 7 lakhs.

181. That the Demand under the head 'Strategic Lines—Repairs and Maintenance' (page 40) be reduced by Rs. 5 lakhs.

[Sir Purshotamdas Thakurdas.]

particular disadvantage in anticipating any of the reasons which Government may have to urge as to why this amount requires to be written off this year. I shall content myself, therefore, Sir, with saying that as there is no right of reply on this amendment I reserve to myself, perhaps with the permission of the House, the right to interrupt the Honourable Commerce Member when he gets up to reply; for I feel that on this important subject he should have given me a reply on the main debate on the Budget. I, Sir, move my amendment.

Mr. President: Reduction moved:

"That the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 50 lakhs."

Mr. G. G. Sim (Financial Commissioner, Railways): Sir, Sir Purshotamdas Thakurdas has said that he could not find anywhere in the papers put before him any statement of the total amount put down in the budget for writing off the value of stores. I thought, Sir, we had explained the matter quite clearly in paragraph 28 of the Budget Memorandum. It is stated there that during the next year a further reduction of about 1½ crores in the stores balances is expected and that this reduction allows for a debit to revenue of approximately 80 lakhs for writing down prices, of which about 50 lakhs may be regarded as above the normal. Now, Sir, I should like to explain the position briefly. Any losses in stores have always been a charge against revenue; they have been so ever since Railways were started; they could not be anything else. If you have got to write down the capital that you have locked up in stores, how could you write it down at all except by charging it off against revenue? The Honourable Member referred to the statement made in the Budget Memorandum of last year. Now, Sir, if Honourable Members will refer to that paragraph they will find that what happened was this. The provision which the Government of India had been able to allot as a charge for writing down stores in previous years had been limited and restricted by budget necessities. The amount usually provided was a sum of Rs. 20, or Rs. 25 or Rs. 30 lakhs. There were vast accumulations of stores immediately after the war and most of the railways had retained in their possession large quantities of stores simply because they had not got the revenue provision necessary for getting rid of them or selling them. This was a matter to which the Inchcape Committee drew particular attention. I do not propose to weary the House by giving a lengthy history of the case as they will find it all described at length in the Administration Report for last year. But when the matter was inquired into, the estimates received from the various railways led us to believe that a sum of Rs. 3 crores would be required to write down surplus or unserviceable stores to a price at which they could be disposed of; and in preparing the Budget for the current year a demand was made for three crores of rupees as a charge against revenue. The general revenues were unable to meet any such demand and, as was stated in the Honourable Finance Member's speech, there appeared to be no solution. He said:

"It becomes necessary, therefore, to write off 3 crores from the capital account and this can only be done by a charge against revenue."

He then went on to say that it was impossible to find such a large sum from revenue, for if the whole of the 3 crores was charged against the revenue of 1924-25 the contribution of Railways to general revenues during the year would be reduced to a vanishing point; and he explained that unless

there was a separation of the budget it would be necessary to spread this charge against revenue over ten years, providing, say, thirty lakhs a year, beginning with 1924-25, and that it was only by this unsatisfactory device that the figure of 4 crores which was given as the estimated receipt from Railways in the current year had been arrived at.

Sir Purshotamdas Thakurdas: Will the Honourable Member read the penultimate paragraph of the sentence on page 11?

Mr. G. G. Sim: Yes, I was getting to that point. When the separation of finance was being discussed we had, as the Honourable Member is aware, to draw up alternative budgets, one for separation and one for non-separation. In the non-separation budget as I said a provision of 30 lakhs was put down; and as regards the separation budget, as we were quite uncertain of the amounts we were likely to have under the separation system, it was proposed to apply that provision of spreading the charge over ten years also to the non-separation budget. Subsequently, however, we found that the amount required was not going to be anything like three crores and I would remind the House that these suggestions for special arrangements being made for charging off the money over a series of years were only made in view of the magnitude of the amount involved. When the matter was further required into we experienced a considerable amount of trouble in getting rid of these stores. In the first place many of the railways protested that they could use up the stores on sanctioned programmes within the next five or six years. Our original intention was to get rid of all the stores that could not be used within the next two years, and we, therefore, relaxed the rule that was first laid down and allowed the State Railways to keep in their possession any stores which they had satisfied themselves could be definitely used and earmarked against particular works in their quinquennial programme. As regards company lines we were in a difficulty as we had got no power under the contracts to require them to write down their stores at all. The net result was that the actual loss on stores . . .

Diwan Bahadur M. Ramachandra Rao: Did I hear the Honourable Member say that they had no power to write off the stores?

Mr. G. G. Sim: Not unless the matter was specially referred to an arbitrator. The matter has been under discussion with several companies, but we have no definite power to issue an order straightaway to write down the stores.

The actual amount required for writing down stores was afterwards found to be one hundred lakhs. I do not mean to say that this one hundred lakhs is the amount which was required for special provision; but the amount actually spent last year and the amount likely to be spent this year is Rs. 100 lakhs. The ordinary provision is some 25 or 30 lakhs a year which has always been provided as a charge against revenue; so that the actual cost of this special measure is reduced to some 40 lakhs. Out of this total sum of 100 lakhs, 38 lakhs had already been charged against revenue last year and 62 lakhs had been charged off up to September in the current year. As regards this 50 lakhs that we have put in the budget, the position is this: the Railway Board is not satisfied that the arrangements for transferring stock that may be surplus on one particular railway to another railway are satisfactory, and they have put an officer on special duty to go round and see all the stores on the State railways in India and have given him powers to summarily remove stores from any one railway to another railway where they may be required and to fix the prices at

[Mr. G. G. Sim.]

which such stores may be transferred. There is naturally a considerable amount of haggling over prices when one railway, even if it is a State railway, transfers stores to another railway. We do not know what the effect of this special arrangement will be, and for that purpose we have put down a tentative provision of 50 lakhs. What the Honourable Member means by his motion is that the amount of money spent in the current year over and above the ordinary provision, that is to say, some 37 lakhs, should be charged against the reserves. Now, Sir, I agree that, in view of what the Honourable the Finance Member stated in his budget speech, that amount was properly to be charged against the reserves of the current year. But it so happens that, as I said, before this convention was established by the Legislative Assembly, the whole of it was not . . .

Sir Purshotamdas Thakurdas: No, according to the Honourable the Finance Member's own promise or offer, he himself said, "If you agree to the separation of the two Budgets, we will write off the amount concerned in ten years by equal instalments".

Mr. G. G. Sim: But the proposal then was to put only 30 lakhs in the Budget, while as a matter of fact, 62 lakhs were written off against revenue.

Sir Purshotamdas Thakurdas: The proposal was that the total figure each year was to be 30 lakhs. Are you going to penalise revenue because the amount now happens to be smaller?

Mr. G. G. Sim: What I understand the Honourable Member to mean is that these 37 lakhs instead of being charged against revenue of the current year should be taken from the reserve.

Sir Purshotamdas Thakurdas: It should be taken from the surplus as offered by the Honourable the Finance Member.

Mr. G. G. Sim: That refers, as I have said, to the transaction of the current year. Sir, I have no objection to the proposal he makes being given effect to, but that cannot apply to the Budget of next year. What I take exception to in the Honourable Member's speech is this. He said that no money whatsoever ought to be charged against revenue which is used for the purpose of writing down stores. I cannot for a moment agree to any such proposal. The money must be found from revenue. It has always been found from revenue, and as I say, there has always been a charge against revenue of something like 25 or 30 lakhs incurred in connection with the writing down of stores. If the Honourable Member's proposal is accepted, there is, as I have said, a provision of 80 lakhs for writing down stores, but what will be the effect? We should have to add 27 lakhs this year and 16 lakhs the year after, that is to say, some 43 lakhs would be extracted from the reserve and would go to the general revenue.

With regard to contributions, I gather that Honourable Members are now of the opinion that the contributions have been fixed too high.

Sir Purshotamdas Thakurdas: I only want that these 50 lakhs should be written off next year, because it refers to exactly what Sir Basil Blackett said. I will read only one sentence. This is what he said:

"One of the results of the close scrutiny of railway finances which has taken place during the past year has been to bring to light a difference on the wrong side between the value of the stores held for capital suspense account largely owing to the market value of these stores."

That difference was estimated at 3 crores, and I say that the balance should be written off according to the promise made by the Honourable the Finance Member last year. I only want that whatever may be the balance left out of the 3 crores estimate, it must be written off out of the surplus profit on Railways.

Mr. G. G. Sim: As regards that, I have already explained, that ought to be written off in the revised estimate of the current year, and not in the budget estimate of next year.

Sir Purshotamdas Thakurdas: Why from the current year?

Mr. G. G. Sim: As I say, the cost of writing down was reduced from 3 crores to 1 crore, of which 38 lakhs was written off in 1923-24 and 62 lakhs in the current year.

Mr. A. Rangaswami Iyengar: The Honourable the Finance Member suggested a method of wiping off this depreciation when the depreciation value was estimated at 3 crores. You say that it has been reduced to 1 crore. I say apply the same method both in respect of the revised estimate and the coming budget.

Sir Purshotamdas Thakurdas: You were not justified in writing it off in the current year either. You could only write off 30 lakhs. If you have written off one crore in the current year, then please change the entry. You cannot write it off in the current year.

Mr. G. G. Sim: 38 lakhs was written off last year against the ordinary budget provision. In the current year it is anticipated that 62 lakhs will be written off.

Sir Purshotamdas Thakurdas: Will you agree to transfer the entry in the revised estimate?

Mr. G. G. Sim: The Honourable Member's motion refers to the provision next year?

Sir Purshotamdas Thakurdas: I cannot move a motion to-day regarding the accounts of the current year. But I put it to the Honourable Member that you cannot write it off in the current year in view of your assurance last March.

Diwan Bahadur M. Ramachandra Rao: May I ask, Sir, if these 38 lakhs were written off in 1923-24 and 62 lakhs during the current year, why should there be this provision of 50 lakhs for next year?

Mr. G. G. Sim: I have already explained that we are not satisfied with the present arrangements in connection with the transferring of stores from one railway to another. We do not think we shall get our stores reduced to a minimum until our surplus stores are actually got rid of and all unserviceable stores are disposed of.

Mr. A. Rangaswami Iyengar: May I know, Sir, . . .

Mr. President: Let the Honourable the Financial Commissioner proceed.

Mr. G. G. Sim: We have placed an officer on special duty in order to reduce the stores to a minimum. We do not know what it will cost. But we must put in some provision, as we have given the officer an absolutely free hand to enable him to transfer stores from one railway to another

[Mr. G. G. Sim.]

without worrying as to the exact value at which they are to be transferred. So far as we are concerned, it is a paper transaction, but so far as the individual railway companies are concerned, it appears in their particular books as a loss on stores. But I place no confidence in this figure of 50 lakhs, I do not know what the amount will be.

Diwan Bahadur M. Ramachantira Rao: May I know, Sir, why this 50 lakhs has been provided for next year? If 32 lakhs were written off in 1923-24 and 68 lakhs in the current year, what is the basis for the estimate of 50 lakhs for next year? Has it got anything to do with the scheme of writing down stores as mentioned by the Honourable the Finance Member in his speech in March last? I want to know if it is an entirely different provision for which there is no basis at all, and that it has to be worked out by a special officer.

Mr. G. G. Sim: There is no special basis for it, but we wish to provide some money in order to have some provision and to give our officer a free hand to transfer stores as quickly as possible.

Mr. A. Rangaswami Iyengar: An additional reserve?

Mr. G. G. Sim: No, it is not.

Diwan Bahadur M. Ramachandra Rao: May I suggest that this amount may be omitted for the present?

Mr. G. G. Sim: I must have some provision, otherwise we cannot allow the officer to proceed at all.

Sir Campbell Rhodes: Sir, I have also a motion on the paper in regard to the reduction of stores, and as it will come rather later, I am afraid I shall be guillotined, and so I propose to go into the matter under the motion which my Honourable friend has placed before the House. It is obvious, Sir, that Mr. Sim is not at all happy in his writing off of these stores in a period of years. I was wondering when he was speaking what that equally distinguished gentleman the late High Commissioner for Income-tax would say in regard to the methods which he is now adopting, and whether in my business if I had decided to spread my losses over 10 years the Commissioner of Income-tax—as I say an equally distinguished man, the present Commissioner of Railways—would not probably have objected most strongly. But, Sir, the point I wish to take up is the enormous magnitude of these stores which were collected and the very heavy loss resulting in consequence and to say a word or two on the policy which produces those heavy stocks. The Inchcape Committee considered that the stock of stores held was on an extravagant scale and recommended that early steps should be taken by a careful scrutiny of indents to effect an early and very substantial reduction. And the Railway Board say in their Administration Report:

“The new stores rules allow a greater latitude in the matter of local purchase of imported stores which should have the effect of reducing stocks.”

These stocks are large, Sir, because it has been the practice of the railway companies to buy their stores in England, and they therefore have to pile up large reserves months ahead, reserves which they may not eventually require and which are thrown on the scrap heap or which deteriorate.

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): I rise to a point of order. Is my Honourable friend Sir Campbell Rhodes entitled to go into the general policy of railway stores purchases? My friend Sir Furshtamdas has raised a specific issue which has nothing to do with stores purchases. I submit therefore my friend is not entitled to go into the other question.

Mr. President: I was not aware that the Honourable gentleman was raising the question of stores purchase; but the circumstances leading to the writing down of the value of stores must necessarily be in order.

Sir Campbell Rhodes: Sir, in the report of the Railway Industries Committee a note was attached by the meanest member of that Committee to the following effect:

"I see no reason why the Chief Controller of Stores should be restrained from purchasing in India from the Indian or European importer where such importer is acting as a merchant's or as a manufacturer's agent, provided of course that the price is no greater and that the other conditions are not unfavourable. The establishment of commercial undertakings in this country should be encouraged. They contribute to the general revenues of the country and if the largest individual purchaser, namely, the Government, itself does not buy from them the incidence of their overhead charges must necessarily be higher, to the detriment of the Indian public and such private and industrial enterprise as depend for their supplies on the importer. It is obvious moreover that the encouragement of such importers will enable the latter to carry larger stocks. They constitute without cost to the country the best guarantee for obtaining supplies in the country in the case of national emergency. If, on the other hand, the Chief Controller of Stores is compelled to purchase through the Stores Department in London he must indent far ahead for his probable requirements and estimate such requirements at the maximum with, I believe, a margin of safety, a procedure calculated to produce waste."

Those words, Sir, are exemplified in the Budget this year, which proposes that these enormous losses of revenue should be written down in order that the Government may save the small commissions of merchants in this country. The only solution of this question, Sir, and it is one I think on which the whole House will agree—and I am rather surprised that my friend from Bombay has endeavoured to stop me—is that we should have rupee tenders and the local purchase of stores. Then each railway company will have to carry minimum stocks and can procure its supplies readily on the spot, and such a policy is likely to lead gradually to greater manufacture of railway materials in this country.

Mr. Jamnadas M. Mehta (Bombay Northern Division: Non-Muhammadan Rural): Sir, it is clear from the discussion that has so far proceeded that there is a serious mistake somewhere and I find that Sir Purshotamdas's motion must be accepted by the House. Here is a note prepared by my friend Mr. Parsons and circulated to the Central Advisory Council on the 21st August 1924 in which it is pointed out that instead of three crores being the loss on stores after further inquiry it appears that only one crore of loss will result. I will read the relevant portions:

"On the latest figures supplied by Railway Administrations I estimate that the loss to be expected on the disposal of surplus and unserviceable stores held on the 1st April 1923 is about 65 lakhs, and the amount required to bring down to market value the prices at which stores required by the railways were held is about 55 lakhs—a total of 120 lakhs. Of this sum, some 32 lakhs were adjusted in 1923-24, so that, if this estimate is correct, about 88 lakhs have still to be adjusted. Of these 88 lakhs, I expect that 64 lakhs will require a direct appropriation from revenue, while the remaining 24 lakhs will be adjusted gradually in the course of the current year and 1925-26, by the issue of stores to works at prices above the current market rates."

[Mr. Jamnadas M. Mehta.]

That shows that even if the whole of it is to be written off from revenue the only amount that now remains to be written down is 24 lakhs; the whole of the rest of the amount has been written off and I cannot see why, when only 24 lakhs are to be so written off, a provision of 80 lakhs should be made. I therefore think that Sir Purshotamdas is very moderate in reducing the amount by 50 lakhs; he should have moved to reduce it by 64 lakhs. Moreover, Sir, it is further pointed out in the said note that a closer inquiry will probably show that even this estimate of 24 lakhs is too large. I therefore think that 50 lakhs is a very very proper reduction. The Railway Board know that they have my sympathy in the matter because if the proposed reduction is made part of it will go to swell the general revenues, against which I am in determined opposition. But at the same time it is not right that revenue should be charged with unnecessary writing down of stores when that is not found desirable or necessary on the estimates framed by the officials themselves. Further, Sir, if this House carries this motion, and I hope it will carry it, the allocation of this amount should be made according as the stores were imported for capital works or revenue works. I do not want that, because stores reduce in value, the whole of the reduction should be charged to revenue irrespective of the fact whether the stores in question were imported for capital works or revenue works. But I do agree with Sir Purshotamdas that the whole of the reduction he has tabled should be made.

The Honourable Sir Basil Blackett (Finance Member): Sir, I know the House is anxious to get on to other perhaps less complicated points than this, but at the same time it is desirable that we should endeavour to clear this up. There is a good deal of obscurity about the whole situation at the present moment. As regards the origin of this difficulty I am ready to agree with my friend Sir Campbell Rhodes thus far, that it arose from too large stocks of stores having been carried largely as the result of special circumstances after the war. The position as regards the total of the stores held is that at the end of 1921-22 there were 23½ crores; at the end of 1922-23, just under 23 crores; at the end of 1923-24 21½ crores; at the end of this year the estimate is 17½ and at the end of 1925-26, 16 crores. So that we are definitely taking steps to reduce the actual amount of stocks held. Of course part of the big reduction that is taking place in this year is due to our writing them down to the extent of 62 lakhs during the current year. Sir Purshotamdas Thakurdas is quite right in saying that if the words in my budget speech were literally followed the sum of 32 lakhs out of 62 lakhs should have been charged not against the revenue of the year but against the surplus, thereby increasing the total of the amount to be transferred to the general tax-payer and slightly decreasing the amount of the reserve of the Railway Department. This matter has been a little bit confused I think by the fact that the separation of the Railway Budget was first taken up in March and postponed till September and certain action was taken in the interval without reference to the possibility of the separation taking place in September. The result was that actually before the separation took place, the whole of these 62 lakhs, of which 32 was special and 30 was normal, had been written off against the revenue of the year 1924-25. If the words in my budget speech had been strictly followed, 32 lakhs would have been written off against the share of the railway surplus and not against the general tax-payer's share. It becomes therefore a matter simply between the surplus that goes to the exchequer in 1924-25 and the surplus that goes to increase the railway reserve. If we are now to reverse that process and charge the 82 lakhs against the

surplus, the result will be,—shall I say, to reduce the deficit in the current year which I am about to disclose?—or possibly even to increase the surplus. That is a matter of this year's accounts. But it makes also a slight difference in the amount that has to be divided between the tax-payer and the railway consumer out of the surplus of this year which goes into the figures of the year after next. The reason why we did not follow the original proposal made in my budget speech was simply that we found that the matter was of much smaller magnitude than we had thought. We found that instead of 3 crores outstanding, the amount outstanding was only 62 lakhs, the other 38 being written off in the previous year. I thought that it was a matter that might be conveniently cleared up by being charged in what is the more normal way against the revenue of the year. If Honourable Members will look at my budget speech, what I said was:

“There seems to be no better solution than to set a special provision of 30 lakhs beginning with 1924-25 to amortise the debt in ten years, and it is only on this unsatisfactory basis that the figure of net receipts is arrived at.”

It was always regarded as an unsatisfactory device and the other arrangement was more proper. I would suggest to the House that as regards the current year the point that we are concerned with is that the transfer of these 32 lakhs between the railway reserve and the surplus, of which one-third would go to the revenue, is really hardly worth making, and I was certainly influenced in the decision that I arrived at in agreeing to this change by the fact that the amount of railway contribution to revenue had been considerably increased during our discussions, and I never concealed my own opinion which coincided with that of Mr. Jamnadas Mehta that on the whole we fixed it quite high enough. So far this is a minor point concerning this year only, which has a very small effect on the future. The point that we are discussing in regard to this 50 lakhs is really something quite different. We do not know, we are not sure, whether we have succeeded in completing the “assainissement,” the sanitation of our railway store account yet, and a special officer is to be placed on duty to examine the position with a view to seeing whether we cannot get these stores reduced by transferring stores, that are not surplus to our immediate requirements and may be required by the railways for which they are stored in the course of the next few years, between one railway and another. It would be a good thing if we could get it done. But it creates certain difficulties as between the accounts of the different railways even when they are all State railways. We do not know what that amount may be and a provision of 50 lakhs has been put in. If the provision is not made, as Mr. Sim says, if it is not made at all, that would be taken as a direction by this House that we are not to put this railway officer on special duty for this purpose, and I am sure that is not what the House intends. I think the view of the House is that this 50 lakhs is possibly too large an amount. This is apart from the 30 lakhs which is the normal provision that is made every year and that has to be met. I may perhaps just take up Mr. Jamnadas Mehta's point that if the stores originally had been bought for capital purposes, the loss should fall on capital. But what do you do when you make a loss on capital? You have to write it off out of revenue. (Mr. Jamnadas M. Mehta: “Not necessarily.”) I think you have to. If you have got a deficit in your capital account, it surely must be written off out of revenue. (Mr. Jamnadas M. Mehta: “So much more capital.”) Otherwise you will be falsifying your balance sheet. I think it is quite clear that revenue is the only place where you can write off this loss from. The question is really whether this 50 lakhs is an unreasonably large amount. I have not myself been into the figures. Mr.

[Sir Basil Blackett.]

Sim knows much more the details than I do. I suggest to the House that some provision of this sort ought to be made and that this is not a provision that would properly be chargeable against the railway reserve but is one which is chargeable as part of the working expenses. It is not in the same category as the figure of 3 crores which fortunately proved to be only one crore of which I was speaking last year. I hope I have made myself clear. The question really is whether 50 lakhs is too large an amount. I think that is the only question.

Sir Purshotamdas Thakurdas: Would the Honourable Finance Member be agreeable to 15 lakhs instead of 50 lakhs? Would he agree to a reduction of 35 lakhs?

The Honourable Sir Basil Blackett: Halve it.

Diwan Bahadur M. Ramachandra Rao: I would agree to a reduction of 35 lakhs, Sir.

Mr. President: What effect has that on this motion?

Diwan Bahadur M. Ramachandra Rao: I beg to move an amendment to my Honourable friend's amendment that the word "thirty-five" be substituted for the word "fifty."

The Honourable Sir Basil Blackett: May I add one word? It is understood that if we find that there is a larger amount than 15 lakhs required, a supplementary demand will be required. A supplementary estimate will of course only be submitted after it has been before the Railway Finance Committee.

Sir Purshotamdas Thakurdas: We will look into the whole question in the Committee.

Mr. President: Further amendment moved:

"To substitute the word 'thirty-five' for the word 'fifty'."

The question I have to put is that that amendment be made.

The motion was adopted.

Mr. President: The question is:

"That the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 35 lakhs."

The motion was adopted.

AUTOMATIC COUPLERS.

Mr. V. J. Patel: Sir, I beg to move the following amendment:

"That the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 70 lakhs."

My object in moving this amendment is to draw the attention of this Assembly and also of the Government of India to the policy pursued by the Railway Department of charging to revenue large sums of money which should legitimately be charged to capital, not that I do not want the Railway Department to purchase automatic couplers. If they are useful,

let them be purchased, I do not mind. But my point is that you should not charge the purchase price to revenue but you should charge the amount to capital. Those who have studied the Railway Budget this year will have noticed that in several instances large sums of money have been charged to revenue where they should have been charged to capital. The result has been that there has been a considerable reduction in the amount of surplus profit of the Railways and therefore an indefinite postponement of the burning question of the reduction of rates and fares. When I say there have been a number of instances, I will quote one or two. You will see from page 6 of the Budget an item shown as interest portion of annuities, actuals 4 crores and 89 lakhs odd; while in the Budget for 1924-25, 2 crores and 90 lakhs odd. If you see the note under 4 crores and 89 lakhs odd you will find it stated that this amount includes annuity payments in redemption of capital; 2 crores have thus been paid for redemption of capital. This should have been legitimately charged to capital instead of to revenue. This process has been going on for a number of years and large sums of money, crores of rupees, have been charged to revenue which should have been legitimately charged to capital. This is one instance. Another instance is this. Sums of money regarding land, subsidy and survey have been charged to revenue which should have been charged to capital. Similarly, interest on certain capital should have been charged to capital which has been charged to revenue. For instance, in the case of new constructions, large sums of money have to be expended and until the lines on which they are to be expended are open lines, interest during that period should be charged to capital and not to revenue. So, I have shown to the House how the Railway Department has been charging to revenue large sums of money which should be charged to capital and the inevitable result of it, as I have already pointed out, is that the question of rates and fares remains unsettled.

I now come to the question regarding automatic couplers. I submit, Sir, that the purchase price should be charged not to revenue but to capital. These automatic couplers are quite new devices and they will last for a number of years, and there is absolutely no reason why the present day travelling public should be asked to bear the burden of the whole amount. It has to be remembered that this amount of 70 lakhs is not the only amount that is proposed to be spent on these automatic couplers. It is a progressive programme and in course of time you propose to spend something like 6 crores of rupees on the purchase of these automatic couplers. That means you propose to charge all the 6 crores of rupees to revenue instead of to capital. I therefore submit to this House that, if we allow this thing to be done, we will indefinitely postpone the reduction of fares and rates. What is due to capital must go to capital and what is due to revenue must go to revenue. There is absolutely no reason why you should manipulate your accounts so as to show reduction of surplus profits and thus postpone the reduction of rates. Your automatic couplers, I thought, would automatically pay their way! You propose to spend Rs. 70 lakhs. However, that is another matter. There is no doubt in my mind that this ought to go to capital, and I submit the House will support me in this.

Mr. G. G. Sim: Sir, I hope the House will not agree to this reduction, as the only result of carrying it will be that we shall not be able to have any automatic couplers at all. Sir, the Atworth Committee laid strong emphasis on the fact that the capital at charge of Indian railways was not watered and I say this is a proposal to start watering our capital. So,

[Mr. G. G. Sim.]

far as I can see the Honourable Member gave no reasons whatsoever for charging this expenditure to capital. I should like to explain briefly to him why we cannot under the present rules or under any commercial rules charge this to capital. These automatic couplers or buffers are to take the place of the existing buffers on our wagons. The cost of the buffers which we are replacing by the automatic couplers is greater than the cost of the automatic buffers. We are going to scrap the present buffers and replace them with articles that cost less. Capital is already charged with the full cost of the existing buffers which will be scrapped and we cannot add the cost of the new couplers to the present capital charge. You cannot add on the cost of these new buffers. Capital has already been saddled with, say, 8 crores of rupees on account of the existing buffers. You propose to add another 6 crores and your capital will then be shown as 14 crores on account of buffers, while the buffers are only worth 6 crores. Sir, surely the Honourable Member must understand that it is impossible to add to your capital in this way. Your capital should never represent anything more than what you paid for your existing assets. You cannot include in it also the cost of assets that have disappeared, and that, Sir, is the reason why you cannot make this charge against capital. The only result of carrying this motion will be that the Auditor General, on whose functions the Honourable Member himself was strongly insisting the other day, would disallow the expenditure altogether and every honest auditor would do the same.

Mr. K. Rama Aiyangar: Sir, I propose in the next motion,* No. 91, a reduction of Rs. 50 lakhs instead of 70 lakhs. My object was that the 6 crores of rupees may be spread over a number of years, so that 20 lakhs may be charged each year, and that will be the best way in which revenue could be charged, and that will be agreeable to the Honourable Mr. Sim. I propose that "Rs. 50 lakhs" be substituted.

The Honourable Sir Basil Blackett: The answer, Sir, to the last Member's suggestion, I think, is also quite a simple one. If you spread the time during which these automatic couplers are to be installed over a longer period, then you lose a very great deal of revenue by postponement of the date when you get them fully working. They are expected to result in a very considerable reduction in working expenses and they will enable the Honourable Member to reduce several of his averages. The House will see that if you are going in for a big improvement of this sort, it must be adopted as soon as you can in order to get its results soon, and therefore the attempt to spread it is really uneconomical from several points of view. The suggestion that you should borrow from the reserves is the suggestion that has been made by Mr. Patel which has already been answered to the effect that under no circumstances will the Auditor General permit such a thing to be done. I would like to say just one word, however, on some other points that were raised by the Honourable Mr. Patel. He said that we were charging to Railway revenue the capital as well as the annuity portion of the annuities which are repaying certain East Indian Railway annuitants and others. That system came to an end in 1924. One of the changes that has been made since is the transfer of that provision for capital from being a charge on the Railways to being a charge on our general provision for redemption or avoidance of debt. It

* "That the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 50 lakhs."

is no longer a charge on the railways and Mr. Patel was therefore in error in thinking that either in the current year or in the next year there is any transfer to

Mr. V. J. Patel: You have paid 2 crores in 1923-24. Why don't you take them out?

The Honourable Sir Basil Blackett: The effect of paying out 2 crores in 1923-24 was simply to prevent our debt from growing into a larger amount. It did not reduce the amount of the capital that is debited to the railways. It has nothing to do with the profit or loss on the railways for the current year or for the last year. Under the new convention there is no provision whatsoever in the Railway Budget for redemption of railway debt. That debt is left to bear interest and the interest on it is paid regularly to the General Budget and there is no provision in writing down that capital except in such cases as the capital is lost.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): May I know, particularly from Mr. Sim, what will happen to the buffers which you now propose to remove and replace by these automatic couplers?

Mr. G. G. Sim: They will mostly be sold as scrap. A considerable number of them are to be used as a temporary arrangement until all the automatic buffers have been fitted up. You have to make some temporary arrangement before you can get the whole of the wagons in India fitted with the automatic buffers. Ultimately, they will have either to be sold as scrap or used for other purposes in the workshops. The amount that you will get from the old buffers will be something like 30 or 40 lakhs, I have forgotten the exact figure. This amount will, of course, be taken in reduction of the total cost of the scheme.

Mr. President: The question is:

"That the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 70 lakhs."

The motion was negatived.

GRIEVANCES OF THE RAILWAY EMPLOYEES.

Mr. N. M. Joshi: I move, Sir, that the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 100.

My object in moving this reduction is to ask the Honourable the Commerce Member as to what he proposes to do with the Resolution which was passed by the Assembly with regard to the grievances of the railway employees. If he does not give a satisfactory reply, I want the House to pass my motion as a vote of censure against the department. (*Mr. K. Ahmed:* "You will be too late to-day.")

Mr. President: Motion moved:

"That the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 100."

The Honourable Sir Charles Innes: All I can say on this matter, Sir, is this. As the House knows, I opposed that Resolution when it was being debated in this House. A new factor in the situation has arisen, namely, the Resolution was adopted by the House and in due course that Resolution will be placed before the Governor General in Council.

Mr. President: The question is that that reduction be made.

The motion was negatived.

FINES FUNDS ON RAILWAYS.

Mr. N. M. Joshi: Sir, I move that the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 50.

By this motion I have to suggest to the Railway Board to consider the whole question of the use of the Fines Funds so as to remove the bitterness in the feeling of the subordinate employees that the amount collected by fining them is used for the benefit of better paid employees. I want the Railway Board to consider and examine this question and remove the cause of bitterness.

Mr. President: Motion moved:

"That the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 50."

The Honourable Sir Charles Innes: Sir, we will certainly consider this question. All I will say here is that I shall draw the attention of the House to one factor in the position. These Fines Funds are entirely at the discretion of the Agents now and the Agents have always used them for the welfare of the employees. They are mostly given to such things as institutes and clubs. I would like to say in this connection that the institutes and clubs of European and Anglo-Indian sections of the railway employees are institutions of very long standing. For many years past they have been accustomed to get a definite sum from the Fines Funds. Many Indian institutes and clubs are, of course, of a much more recent date. I have discussed this question with the Agent of one railway and he told me that he would be only too delighted to find institutes and clubs among his Indian employees to which he could make contributions from these Fines Funds. In some railways, I am glad to say, these institutes and clubs are common to both sections of the railway service. But on many railways Indians have their own clubs and the Anglo-Indians and Europeans have their own clubs. I do wish to assure the Honourable Member and the House that the Agents are most anxious to find suitable institutions of this kind among the Indian employees to which they can make contribution from the Fines Funds and they will certainly be looked at from that point of view by all Agents.

Mr. N. M. Joshi: Sir, I beg to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

DISMISSAL OF RAILWAY EMPLOYEES.

Mr. N. M. Joshi: Sir, I move that the Demand under the head 'Working Expenses: Operation and Maintenance' be reduced by Rs. 25.

This motion is intended to draw the attention of the Honourable the Commerce Member to the frequent dismissals of the employees of railways without having any particulars of the cause of their dismissal being properly considered. Sir, a dismissed employee can appeal to the Agent or to the Railway Board, but they cannot really give proper consideration to the question of the individual dismissals. I therefore suggest that the Railway Board should devise some machinery by which the cases of the dismissals will be considered locally by a sort of committee. Let the question of

dismissals be taken up by the Joint Councils which are being created on the different lines, so that there will be greater contentment among the railway employees.

With these words, Sir, I move my motion.

Mr. President: Motion moved:

“That the Demand under the head ‘Working Expenses: Operation and Maintenance’ be reduced by Rs. 25.”

The Honourable Sir Charles Innes: I am afraid I cannot agree to the suggestion made by Mr. Joshi. What he suggests is that the powers of the Agent be taken away in this matter and that appeals from dismissed employees should not go to the Agent of the Railway, but should go to the local Advisory Council. I am afraid, in the interests of discipline, it would be quite impossible for us to entertain that suggestion. I would ask the House to remember that on railways you must maintain discipline at a very high pitch, not merely for the maintenance of what people sometimes call our own prestige, but because on the discipline of your railway employees the safety of the travelling public depends, and we must attach the very greatest importance to that point. I am not quite sure what the Honourable Member means by dismissal here. There is a technical difference between dismissal and discharge. I may say I have figures here which indicate that dismissal, actual dismissal from railway employ, carrying with it the forfeiture of provident fund bonus, is comparatively rare. We have had 1,400 odd cases in the last five years in which that extreme form of dismissal has been given, and when you consider that we have over 700,000 employees, I do not think those figures are bad. I have also here a list of the offences for which those men were dismissed, misappropriation, cheating passengers, taking bribes and the like, and I do not think those figures are excessive. I am afraid I cannot agree to the Honourable Member's suggestion. It is a matter on which I must take a stand. In this matter we must maintain the disciplinary powers of our railway administrations.

Mr. N. M. Joshi: In view of the fact that there is not time enough for this motion, I withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

INEFFICIENT COLLECTION OF PASSENGERS' FARES AND EXCESS LUGGAGE DUES.

Colonel J. D. Crawford (Bengal: European): Sir, I beg to move that the Demand under the head ‘Working Expenses: Operation and Maintenance’ be reduced by Re. 1.

My object in moving this motion is to draw the attention of the House to the serious loss of revenue arising out of about 10 per cent. of our public travelling free, and to elicit information from the Railway Board as to the steps they are taking to minimise this loss. If it is not possible to minimise the loss by increasing the efficiency of your inspection staff without unduly harassing the travelling public, may I suggest to the railway administration that they come to this House for increased powers under the Railway Act to prosecute persons found travelling without tickets.

With regard to excess luggage dues, I feel the convenience of the public and possibly the revenues of the railway would be improved if they could consider a slight reduction of their luggage dues and greater conveniences and facilities for weighing luggage at the stations. Anybody who

[Colonel J. D. Crawford.]

has travelled up to Simla and experienced the conditions both at Kalka and will understand the nature of the hardship to which the ordinary passenger is put in endeavouring to get his luggage into the guard's van.

The Honourable Sir Charles Innes: Sir, the question raised by the Honourable and gallant Colonel is one of very real importance to Railways. It was brought to our notice in 1923 by the Indian Railway Conference Association that Indian railways lost a very large amount of revenue every year owing to travellers travelling without tickets. It was also brought to our notice by the Indian Railway Conference Association that the powers which we have under the Railway Act were not sufficient to enable us to put down this practice. We have no powers to arrest a person whom we find travelling without a ticket. All we can do is to take his name and address and he generally gives a false one. So we put the matter before the Central Advisory Council and inquired whether it would be wise to go to the Legislature with a proposal to make travelling without a ticket a cognisable offence in order to enable the police to arrest without warrant. It was decided at that time that it would be rather an extreme step to take, and as we had an alternative method of trying to put down the evil under experiment on the Oudh and Rohilkhand Railway, it was decided to proceed with this experiment and see whether the measures we were taking would be sufficient to suppress the evil. We regret to say that our later information shows that the evil is if anything worse than ever. In the year ending 31st December, 1924, 2,347,819 passengers were detected travelling without tickets. The total amount collected from these passengers was over Rs. 25 lakhs. The amount of penalty collected was Rs. 7 lakhs odd, and the extra staff which we had to entertain to detect these people cost us Rs. 11½ lakhs. So that shows that this evil which Colonel Crawford has brought to our notice has assumed very serious dimensions indeed. It was again discussed by the Indian Railway Conference Association, and we are now taking concerted action for the first six months of this year to keep a record of the total number of passengers travelling without tickets and the number of prosecutions under the Railway Act giving the punishment, if any, awarded. And that is where the matter ends. We have it under our most careful consideration; we are collecting the most reliable statistics that we can get on the subject and when we get them I have no doubt we shall have to come to the Central Advisory Council and ask their advice in the matter.

As regards excessive luggage dues, I will take notice of what Colonel Crawford has said and ask the Railway Board to look into the matter.

Colonel J. D. Crawford: In view of the statement made by the Commerce Member, I should like to ask permission to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Dr. K. G. Lohokare (Bombay Central Division: Non-Muhammadan-Rural): I would like to move my motion.

Mr. President: I called on the Honourable Member before, and then on Mr. Ramachandra Rao and Mr. Venkatapatiraju who waived their rights to move their motions under the same head. The Honourable Member was not here and he has lost his opportunity.

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

FLOODS IN THE MORADABAD DISTRICT.

Maulvi Muhammad Yakub: Sir, I beg to move that the Demand under the head "Working Expenses: Operation and Maintenance", be reduced by Re. 1.

In moving this motion at this late hour my only object is to draw the attention of the railway administration to the great loss of life and property caused in the district of Moradabad during the high floods in September last on account of there not being enough waterways and small bridges on the railway lines in that district. Sir, in a distance of 5 miles between the railway stations on the eastern banks of the Ram Ganges on a section of the Rohilkhand and Kumaon Railway there is not a single passage for the water to flow. And on the Oudh and Rohilkhand Railway between Moradabad and Garh Muktesur there are very few and very small water passages for the water to flow. The result was that these railway lines acted as embankments and the water could not flow from one side to the other and all the villages on the sides of these railway lines were destroyed. Heaven only knows how many men, women and children were drowned and how many hundreds of thousands of cattle were washed away and how many hundreds of villages were totally destroyed and wiped off the surface of the earth. That this was due to these railway lines was proved from the fact that there were several wide and deep breaches on these railway lines, and when these breaches were effected by the velocity of the water then the water from the villages subsided. This shows that the tragedy was caused because there are not sufficiently wide and enough waterways on this line. This happened not only last year, but two years ago the same tragedy was enacted in the district of Moradabad on the Rohilkhand and Kumaon Railway line, and then the same feeling existed that it was due to there being no sufficient waterways. And the District Magistrate of Moradabad moved the railway authorities but of course the railway engineers said it was not needed. The same agitation was got up in the district this year and representations were made to Government. As soon as this tragedy was enacted I immediately represented to the Honourable the Chief Commissioner of Railways but to my representation I received the stereotyped answer that the matter would receive due consideration. Well, I wrote another letter after that and I said that only "due consideration" would not do and that some practical steps were required, but to that letter I have received no reply as yet. Now, Sir, these breaches are being filled up. They have not yet been filled up although it was in September last, about 6 months ago, that they were effected and the embankments are still under consideration, so it is not yet too late and I take this opportunity to impress upon the Chief Commissioner to institute an independent inquiry. By independent inquiry I mean by engineers who are not subordinate to the administration of the railways concerned, and they should be deputed immediately to make investigation so that this great loss of life and property may not recur again.

Mr. C. D. M. Hindley: Sir, it would have been possible to deal with this motion at greater length than I am now able to do if the Honourable Member had given some indication of the purpose of the amendment he put on the paper, instead of leaving us in the dark. I am sorry to say therefore that I am unable to give a full description of the locality and the causes of the floods to which the Honourable Member referred. He will no doubt remember that not so very long ago in this House I attempted

[Mr. C. D. M. Hindley.]

to give Honourable Members of the House some idea of the general causes of floods and flood damages such as these which visited the Moradabad district. We have of course every sympathy with the inhabitants of the districts which are flooded in that way and the floods in the Moradabad district recently were of a most exceptional nature and such as I think were quite outside ordinary human experience. Of this particular locality the amount of my knowledge which I can communicate to the House at the moment is somewhat small but I believe it is a fact that some years ago the whole question of waterways in this locality was inquired into by a committee in consultation with the Local Government. In matters of this kind, as I explained to the House before, it is the Local Government which looks primarily to the safety of the public in regard to floods and I believe I am correct in saying that the whole matter was looked into by a committee of inquiry and it was decided that no additional waterways were required. As regards the later instance where the Honourable Member says the District Magistrate appealed to the railway to provide more waterways 2 years ago, I have no recollection of that, but I will have the matter looked up. I do not think however that the District Magistrate, if he was really in earnest and of opinion that additional waterways were necessary, should have been debarred from going further than the local railway administrations. As regards the Honourable Member's letter which he says he addressed to me and to which he says he has had no reply, I will certainly make inquiries in my office and now express to him my regret that no reply has so far been sent him.

Now, Sir, the magnitude of the disaster which occurred in the United Provinces was such that the Local Government will naturally not be satisfied until the matter has been very thoroughly inquired into and until they and we are fully satisfied as to the provision of waterways in the locality. I am not in a position to say exactly what means will be taken to make that inquiry, but the Honourable Member may rest assured that the matter will be fully gone into in consultation with the Local Government.

Maulvi Muhammad Yakub: Sir, in view of the reply given by the Chief Commissioner, I beg to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Mr. Deputy President: The question is:

"That the reduced sum of Rs. 42,26,47,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Working Expenses: Repairs and Maintenance and Operation'."

The motion was adopted.

DEMAND NO. 6.—COMPANIES' AND INDIAN STATES' SHARE OF SURPLUS PROFITS AND NET EARNINGS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 1,33,50,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Companies' and Indian States' share of surplus profits and net earnings'."

The motion was adopted.

EXPENDITURE CHARGED TO CAPITAL.

DEMAND No. 7.—NEW CONSTRUCTION.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 6,46,70,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'New Construction'."

BRIDGE AT MOKAMEH GHAT.

Mr. Gaya Prasad Singh: Sir, in the absence of Mr. Sykes may I move amendment No. 128 (*Voices* "No, no") . . .

Mr. Deputy President: Order, order. Will the House let the Honourable Member address the Chair if he wants to.

Mr. Gaya Prasad Singh: I only want to have a statement from my Honourable friend the Chief Commissioner of Railways whether the consideration of this bridge at Mokameh Ghat has been finally given up or not.

Mr. C. D. M. Hindley: The construction of a bridge at Mokameh Ghat has not been finally given up. We have recently had the matter under consideration and we have come to the conclusion that for the present, having regard to the present price of money, it would not be a remunerative proposition. We have, therefore, deferred consideration of the matter for the period of a year. We shall take the matter up again when we think there is a greater likelihood of the project being remunerative.

GRIEVANCES OF THE PUNJAB IN THE MATTER OF NEW RAILWAY CONSTRUCTION.

Lala Duni Chand: Sir, I have no wish to divide the House on my motion.* I simply want to draw the attention of the House and of the Government that my province of the Punjab had had a very small share in the various projects of new construction.

Without casting a jealous eye on Southern India and Burma which prominently figure in the proposed plan of new construction I regret to say that the Punjab is almost neglected. With the exception of the Norowal Amritsar connection of 43 miles on which Rs. 69,42,000 are proposed to be spent, the Punjab occupies no place in the list of 40 projects. If I had thought that the Punjab had no grievances in this respect I would have kept quiet but knowing that the needs of the Punjab are as great if not greater than those of other provinces I want to make it a point of genuine grievance in this respect and demand redress of it. In my own constituency I beg to point out that 3 projects of new railway construction should be taken in hand. The construction of a new broad gauge line from Bhiwani (Hissar District) to Rohtak, a distance of some 30 miles, of another broad gauge line from Rohtak to Gohana, a distance of 16 miles, and yet of another broad gauge line from Ludhiana to Kalka passing through the Ludhiana and Ambala Districts are great and immediate needs. The construction of a line from Bhiwani to Rohtak will connect the ever-starving Rajputana with the grain markets of Rohtak and other grain producing districts and will further bring the districts of Rohtak and Hissar nearer Delhi. The construction of a railway line from Rohtak to Gohana will save the old town of Gohana from an approaching ruin. As to these two proposed lines I can say on the strength of personal observation that the cost of these lines will be proportionately less than the corresponding advantages and profits they will bring. It will hardly be necessary to construct any bridges worth the name for these two lines. As to the third

* "That the Demand under the head 'New Construction' be reduced by Rs. 100."

[Lala Duni Chand.]

line from Ludhiana to Kalka, I understand it has been under consideration for some years. The construction of this line will bring manifold advantages both to the Government and the general public. Simla and other important places in the Himalayas will be within easier and more direct approach from the Punjab. The trade between the central, the Eastern Punjab and the Himalayan tract of the country will expand and will provide bread to thousands of starving souls in the Himalayas. I must not forget to mention that the temporary line from Doraha to Nalagarh *via* Rupar, which has been laid in order to take away huge quantities of stone concrete from the Nalagarh quarries elsewhere, should be made a permanent line both for goods and passenger traffic. It is very bad to do a thing and then undo it. I ask the Railway Board not to wind it up after the immediate object is gained.

Mr. Deputy President: Motion moved:

"That the Demand under the head 'New Construction' be reduced by Rs. 100."

Mr. C. D. M. Hindley: Sir, I do not propose to follow the Honourable Member throughout the long list of projects which he has mentioned; but I would like to say that I am very sorry that the Punjab should have felt neglected because there do not happen to be any large projects for construction in our programme at the moment. There are, however, a number which we have under consideration and I hope it will not be long before we are able to have some of them put through. Several of those which have been referred to by the Honourable Member are railways in which Indian States are concerned and the matter is under correspondence with certain Durbars and I am therefore precluded from entering into a discussion in regard to them. In other parts of the Punjab we have projects under consideration and I hope we shall be able to show that the Punjab is not being neglected. It certainly has not been neglected in the past. We are very glad to have the suggestions of the Honourable Member on the record of this House and when I see them in print I shall be able to examine them and see what we can do about them.

Lala Duni Chand: I beg to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 6,46,70,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'New Construction'."

The motion was adopted.

DEMAND NO. 8.—OPEN LINE WORKS.

Mr. Deputy President: The question is:

"That a sum not exceeding Rs. 16,20,65,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Open Line Works'."

UPPER CLASS RAILWAY CARRIAGES.

Mr. Bhabendra Chandra Roy (Presidency Division: Non-Muhammadan Rural): Sir, I move that the Demand under the head "Open Line Works—Carriages—Additions" be reduced by Rs. 30 lakhs.

I propose this cut as I think that this is allotted for the construction and betterment of the upper class vehicles. From the statement contained in the introductory speech of the Honourable Sir Charles Innes when he

was presenting the Railway Budget we find that from 1921 onwards there is a steady tendency to decrease in the number of travelling public so far as the first and second class passengers are concerned. I do not think, therefore, that it is necessary that we should have more carriages for the upper class passengers, whose number is decreasing.

(At this stage Mr. Deputy President vacated the Chair which was taken by Mr. President.)

Moreover this money can be well spent, in my opinion, in the construction of more third class carriages for the convenience of third class passengers; and in this way we might be able to reduce the third class fares, which have been very much increased before and we could also give the lower class passengers greater facilities, so that the number of such passengers may increase and consequently the revenue also may increase. I therefore propose this cut of 30 lakhs which in my opinion has been allotted for the betterment and construction of upper class vehicles.

Diwan Bahadur T. Rangachariar: I beg to move, Sir, as an amendment to Mr. B. C. Roy's motion, my motion No. 138, that the Demand be reduced by Rs. 10 lakhs.

Honourable Members will notice that the earnings from first and second class passengers are steadily going down and that in fact the sitting accommodation is even larger than the number of passengers and I do not see any reason why this large addition is being made. At the rate I have calculated a first class bogie costs about Rs. 60,000 or Rs. 62,000; so this proposal to cut 10 lakhs really amounts only to 10 or 12 bogies being reduced out of 67 new carriages which are sought to be provided in the new estimates. I mean to say it will not make any considerable reduction. Again I see a provision made in the East Indian Railway for a *train de luxe*. When the third class passengers suffer from these heavy fares, I do not see why this provision should be made for a *train de luxe*; the third class travelling public are the really paying people and I therefore submit that this is an unnecessary provision.

There is one other matter which I wish to mention. In the South Indian Railway I see that they are so economical that they have not made any provision even for third class carriages for the new year. They have made no provision for any upper class accommodation or for third class accommodation, though perhaps they get the first or second prize in the matter of density of traffic. I think also they get the first or rather super-prize in the matter of vehicles—the average number of vehicles under overdue repair, which I think, Sir, is nearly 48 or 49 per cent. of the stock which they ought to have and this has been so for several months past, so that the number of carriages they are able to put on the rails is only 52 per cent. of the sanctioned strength. The density of traffic on the railway is very great and yet the South Indian Railway have not made any provision for lower class coaches at all for the new year and I wonder why it is so. Is it because they have not got workshops? Is it because they are not inclined to do so? My Honourable friend, Mr. Venkataramana Reddi, this morning referred to the congestion of traffic in the suburban area. Not only is there congestion in that area, but in the deltaic tracts the congestion is so great that I have seen people hanging on to the windows and travelling on the footboards. How the South Indian Railway is going to cope with this traffic without making additional provision for coaches I am unable to see. I take these figures which are given at page 8 of the Memorandum. We find neither for the lower class nor for the

[Diwan Bahadur T. Rangachariar.]
upper classes is any provision made in the South Indian Railway; they are making provision only for goods wagons; so that I think more provision should be made for lower class vehicles and less for the upper classes.

I therefore move that the Demand be reduced by Rs. 10 lakhs.

Mr. President: Amendment moved:

"To substitute the word 'ten' for the word 'thirty'."

Mr. Bhabendra Chandra Roy: I am prepared to accept the amendment.

The amendment was adopted.

Mr. President: The question is:

"That the Demand under the head 'Open Line Works' be reduced by Rs. 10 lakhs."

Mr. C. D. M. Hindley: Sir, the amendment proposed is that the provision we have made under this head for new carriages be reduced by Rs. 10 lakhs. Now, Sir, in the Budget Memorandum, Honourable Members will have seen that the numbers of upper and lower class stock which we propose to provide during the year are, I think, 67 and 755 respectively. Honourable Members have put forward the argument that, as first and second class passengers are falling off and as third class passengers are increasing, we should add no more upper class stock, but should confine our attention to the lower class stock. I wish to explain in regard to that that the total number of 67 upper class stock is a collection of a number of small demands from the different railways. And when these are spread out over the various Railway systems, they do not amount to a very large proportion of the existing stock.

Diwan Bahadur T. Rangachariar: The East Indian Railway wants 37.

Mr. C. D. M. Hindley: The East Indian Railway has put down, I believe, a demand for 36 actually. I should explain that these figures should be halved for we always count bogie coaches in terms of four-wheelers and the number, 36, therefore indicates 18 bogie coaches. Therefore, the East Indian Railway are requiring 18 more bogie coaches for upper class stock. The essence of this matter is this, that what we are trying to do is not only to provide a whole lot of additional stock but to run more trains and provide more accommodation for passengers travelling. When we put on an additional train, it is essential that it should have a certain minimum proportion of upper class stock. I think a great many Honourable Members would be extremely annoyed if they went to a station and found a third class train coming in with no first, second or intermediate class accommodation and therefore it is essential a percentage of somewhere about 1 in 10 must be upper class stock if we are to fulfil our obligations to the public. That particular argument I would ask Honourable Members to apply to the figures I have mentioned, namely, 67 upper classes and 755 third class stock. I agree that the figures vary on different railways, but that is because this is a collection of the additional requirements for the year from different parts of the country and to make up deficiencies and so on in the existing stock of railways.

Now with regard to some of them, there are special reasons why additional stock is required. I will only mention one, for instance, on the Great Indian Peninsula Railway where it has been found that they are short of stock, especially for the working of the Itarsi-Nagpur railway, a newly opened line. There are similar reasons for the additions in other cases.

The demand is, therefore, not excessive. I would like to explain that when these programmes come to us for examination, we look very carefully at the needs of the different railways both in respect of upper class passengers and also lower class passengers and on the basis of that examination, we are satisfied that these are actually required.

Now on the other hand, I should like to say that we do feel that the provision we have made for additional coaching stock is not as large as it might be if we were in other circumstances. We are in very great difficulty in this matter, because a rapid addition to coaching stock means, in the first instance, larger workshop accommodation where they can be built and, secondly, permanent extension to our workshops for the necessary repairs that will thereby be required. At the moment when this programme was put up, it was felt that we could not increase our building programme very largely without seriously interfering with the repairs and overhauling of our existing stock. It was a question of choosing between allowing our existing stock getting further into disrepair or reducing to some extent the programme of building that we should like to carry out. It is rather a technical matter, but these operations are carried out in the same workshop. That applies very largely to the case of the South Indian Railway which has been mentioned by the Honourable Diwan Bahadur Rangachariar. The South Indian Railway have been for some years feeling great difficulty regarding workshop accommodation, and their position cannot definitely improve until their workshops are completely equipped. That accounts for the high percentage of coaches there awaiting repairs. I wish to mention to the House that quite recently, since this programme was actually prepared a month or two ago, we have had this question under very careful reconsideration. We have had a conference here with the object of trying to find some means of increasing our coaching stock building programme without interfering with the necessary overhaul and repairs to coaching stock. We believe that it will be possible to so rearrange the workshops operations on some of our State Railways and re-arrange the work as between these railways as to enable us to take up even during the current year a larger programme than we have placed before the House. I am unable to say to what extent we shall be able to carry that out, but I hope it may be possible to build for the State railways something very considerable in the way additional coaching stock in addition to what we have already provided for with the object of definitely putting on more trains, and of course, if these additional coaches are built, they will be very largely for lower class stock with the requisite small proportion of upper classes to enable us to make up our trains in proper proportions.

As regards the *train de luxe*, I do not think there is any such mention . . .

Diwan Bahadur T. Rangachariar: Yes, the East Indian Railway.

Mr. C. D. M. Hindley: That is so. The *train de luxe*, if and when it is constructed, will be used primarily for the Bombay-Howrah mail traffic, and it will only be built as a remunerative business proposition. There is no question of giving any concession to any one in this matter. If that train is built, it will be because we are satisfied that as a business proposition it is bound to pay its way and thereby improve the revenues of the country. There is no special concession involved to any class of passengers in a proposition of that kind.

Mr. Darcy Lindsay (Bengal: European): Sir, I am sorry I was not in the Chamber for the whole of the time that my Honourable friend Diwan

[Mr. Darcy Lindsay.]

Bahadur Rangachariar was addressing the House, but I gather from what I did hear that one of his objections was to additional expenditure on the construction of further upper class carriages. Now, Sir, we had this matter very carefully before us in Committee, the Railway Finance Committee fully discussed this subject, and the item was passed for insertion in the Budget. I remember speaking on the subject, and I put before the Committee what I had experienced in my journey from Howrah to Delhi. We came up five in the first class carriage, one passenger sleeping on the floor. The compartment next door was equally crowded. Last week when I came up from Howrah I had to go through very nearly the same experience, there was not a single vacant berth in the whole of the train. I strongly contend that unless we keep up the first and second class rolling stock, of which there is evidently a shortage, many passengers will have to be left behind. I think I am correct in saying that this item of expenditure provides for something like 76 new carriages. That, spread over all the lines, is a very small number indeed. I would therefore ask my Honourable friend not to press this cut, because I am satisfied that the money will be very well expended.

Mr. President: The original question was :

“ That a sum not exceeding Rs. 16,20,65,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘ Open Line Works ’.”

Since which an amendment has been moved :

“ That the Demand under the head ‘ Open Line Works ’ be reduced by Rs. 10 lakhs.”

The question is that that reduction be made.

The Assembly divided :

AYES—59.

Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Ahmad Ali Khan, Mr.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Aney, Mr. M. S.
Badi-uz-Zaman, Maulvi.
Belvi, Mr. D. V.
Chaman Lal, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Datta, Dr. S. K.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Ghose, Mr. S. C.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Ismail Khan, Mr.
Iyengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Joshi, Mr. N. M.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Sheikh-e-Chatgam Maulvi
Muhammad.
Kelkar, Mr. N. C.
Kidwai, Sheikh-Mushir Hussain.
Lohokare, Dr. K. G.

Mehta, Mr. Jamnadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Sayad.
Nambiyar, Mr. K. K.
Narain Dass, Mr.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Patel, Mr. V. J.
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar
Reddi, Mr. K. Venkataramana.
Roy, Mr. Bhabendra Chandra.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Kissa
Bahadur.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Ganganand.
Syamacharan, Mr.
Tok Kyi, Maung.
Venkatapatiraju, Mr. B.
Vishandas, Mr. Harehandras.
Yakub, Maulvi Muhammad.

NOES—47.

Abdul Mumin, Khan Bahadur
Muhammad.

Abdul Qaiyum, Nawab Sir Sahibzada.

Abul Kasem, Maulvi.

Ahmed, Mr. K.

Aiyer, Sir P. S. Sivaswamy.

Ajab Khan, Captain.

Akram Hussain, Prince A. M. M.

Alimuzzaman Chowdhry, Mr.

Ashworth, Mr. E. H.

Bhore, Mr. J. W.

Blackett, The Honourable Sir Basil.

Bray, Mr. Denys.

Burdon, Mr. E.

Calvert, Mr. H.

Clow, Mr. A. G.

Cocke, Mr. H. G.

Cosgrave, Mr. W. A.

Crawford, Colonel J. D.

Fleming, Mr. E. G.

Fraser, Sir Gordon.

Graham, Mr. L.

Hindley, Mr. C. D. M.

Hira Singh Brar, Sardar Bahadur
Captain.

Hudson, Mr. W. F.

Hussanally, Khan Bahadur W. M.

The motion was adopted.

Hyder, Dr. L. K.

Innes, The Honourable Sir Charles.

Lindsay, Mr. Darcy.

Makan, Mr. M. E.

Marr, Mr. A.

McCallum, Mr. J. I.

Mitra, The Honourable Sir Bhupendra
Nath.

Moir, Mr. T. E.

Muddiman, The Honourable Sir
Alexander.

Muhammad Ismail, Khan Bahadur
Saiyid.

Mutalik, Sardar V. N.

Naidu, Mr. M. C.

Rhodes, Sir Campbell.

Rushbrook-Williams, Prof. L. F.

Sastri, Diwan Bahadur C. V.

Visvanatha.

Sim, Mr. G. G.

Singh, Rai Bahadur S. N.

Stanyon, Colonel Sir Henry.

Sykes, Mr. E. F.

Tonkinson, Mr. H.

Webb, Mr. M.

Willson, Mr. W. S. J.

QUARTERS FOR RAILWAY OFFICERS IN THE SUPERIOR SERVICES.

Mr. Jamnadas M. Mehta (Bombay Northern Division: Non-Muhammadan Rural): I beg to move, Sir, that the Demand under the head 'Open Line Works' be reduced by Rs. 10 lakhs.

The time being so short, Sir, I shall only mention one fact that over a crore of rupees are being provided for staff quarters, of which 14 lakhs are for the superior staff, that is, for those drawing salaries over Rs. 600 a month. So long as third class fares remain where they are, and overcrowding goes on, it is not fair that, while our customers, the travelling public, should suffer, our officers should be housed in palatial buildings. I therefore move that the reduction be made. I will not further take up the time of the House.

Mr. G. G. Sim: Sir, as the Honourable Member has stated, the total demand under this head is 122 lakhs, and we are only providing 14 lakhs for officers' quarters. Now, Sir, the bulk of this provision is for works already in progress. We are only providing quarters for officers in cases where new lines have been constructed, or in cases where new divisional offices have been created in connection with the divisional system, or in those particular localities where the house rents are so high that it is more economical to provide quarters than to give heavy house rent allowances. Of the total provision of 14 lakhs to which the Honourable Member has referred, there is only a provision of 3½ lakhs for new projects. The rest is merely provision for finishing works already in progress. As I am not prepared to agree to any cut under this head, Sir, it is necessary for me to justify to the House the proposals for this 3½ lakhs provision. The 3½ lakhs

(It being Five of the Clock, Mr. President proceeded to put the questions.)

Mr. President: The original question was:

"That a reduced sum not exceeding Rs. 16,10,65,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Open Line Works'."

[Mr. President.]

Since which an amendment has been moved :

"That the Demand under the head 'Open Line Works' be reduced by Rs. 10 lakhs."

The question I have to put is that that reduction be made.

The Assembly divided :

AYES—58.

Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Alimuzzaman Chowdhury, Mr.
Aney, Mr. M. S.
Belvi, Mr. D. V.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Datta, Dr. S. K.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh, Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Ismail Khan, Mr.
Iyengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kelkar, Mr. N. C.
Kidwai, Shaikh Mushir Hosain
Lohokare, Dr. K. G.
Mehta, Mr. Jamnadas M.

Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.
Murtuza Sahib Bahadur, Maulvi
Sayed.
Mutalik, Sardar V. N.
Nambiyar, Mr. K. K.
Narsin Dass, Mr.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Patel, Mr. V. J.
Ramachandra Rao, Diwan Bahadur
M.
Rangachariar, Diwan Bahadur T.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Roy, Mr. Bhabendra Chandra.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Ganganand.
Syamacharan, M.
Tok Kyi, Maung.
Venkatapatiraju, Mr. B.
Vishindas, Mr. Harchandrai.
Yakub, Maulvi Muhammad.

NOES—49.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abul Kasem, Maulvi.
Ahmad Ali Khan, Mr.
Ahmed, Mr. K.
Aiyer, Sir P. S. Sivaswamy.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Ashworth, Mr. E. H.
Radi-uz-Zaman, Maulvi.
Bhore, Mr. J. W.
Blackett, The Honourable Sir
Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clow, Mr. A. G.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Fleming, Mr. E. G.
Fraser, Sir Gordon.
Ghose, Mr. S. G.
Graham, Mr. L.
Hindley, Mr. C. D. M.
Hira Singh Brar, Sardar Bahadur
Captain.
Hudson, Mr. W. F.

The motion was adopted.

Hussanally, Khan Bahadur W. M.
Hyder, Dr. L. K.
Innes, The Honourable Sir Charles.
Lindsay, Mr. Darcy.
Makan, Mr. M. E.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir
Bhupendra Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Naidu, Mr. M. C.
Reddi, Mr. K. Venkataramana.
Rhodes, Sir Campbell.
Rushbrook-Williams, Prof. L. F.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Sim, Mr. G. G.
Singh, Rai Bahadur S. N.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Webb, Mr. M.
Willson, Mr. W. S. J.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 16,00,65,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Open Line Works'."

The motion was adopted.

Expenditure from Revenue.

DEMAND NO. 9.—APPROPRIATION TO DEPRECIATION FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 10,73,25,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Appropriation to Depreciation Fund'."

The motion was adopted.

DEMAND NO. 10.—APPROPRIATION FROM DEPRECIATION FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 9,50,00,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Appropriation from Depreciation Fund'."

The motion was adopted.

DEMAND NO. 11.—MISCELLANEOUS.

Mr. President: The question is:

"That a sum not exceeding Rs. 6,65,00,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Miscellaneous'."

The motion was adopted.

DEMAND NO. 12.—APPROPRIATION TO THE RESERVE FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 3,28,43,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Appropriation to the Reserve Fund'."

The motion was adopted.

DEMAND NO. 14.—STRATEGIC LINES.

Mr. President: The question is:

"That a sum not exceeding Rs. 1,82,00,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Revenue (Strategic Lines)'."

The motion was adopted.

Expenditure charged to Capital.

DEMAND NO. 15.—STRATEGIC LINES.

Mr. President: The question is:

"That a sum not exceeding Rs. 28,20,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Capital (Strategic Lines)'."

The motion was adopted.

BUDGET FOR 1925-26.

INTRODUCTORY.

Improvements in Financial Machinery.

The Honourable Sir Basil Blackett (Finance Member): Sir, the change introduced last year, in accordance with which the Financial Statement is made in the afternoon of the last day of February instead of on the first day of March, has one disadvantage not unforeseen when the change was made, in that both this year and next the last working day of February falls on a Saturday, and Members of this House have to be called upon at a late hour on a Saturday afternoon after a hard week's work to listen to what must necessarily be a lengthy and detailed analysis of the financial position of India. But the new procedure was, I know, appreciated by all concerned, particularly by the commercial community, and no apology is needed for its adoption again this year.

2. A still more important change in our procedure has taken effect for the first time this year. The last few days have brought home to all of us the reality of the separation of Railway Finance from General Finance, a subject with which I dealt at some length in my Budget speech a year ago and on which a final agreement was happily reached last September. I cannot pass over in silence this most important reform in the Government of India's financial machinery. Of its ultimate advantages from the point of view of Railway administration, from the standpoint of the commercial and general public, and from that of the Government of India and of this House in dealing with the finances of the Central Government. I have no doubt whatever. Before many years are out, this country will, I feel sure, see its benefits in the practical form of more efficient and cheaper transportation with all that is therein involved for the economic development of a country with the immense potentialities which India possesses. Meanwhile, we are happily relieved of the difficulties and doubts which confronted us in dealing with our General Budget when it incorporated the gross receipts and the working expenses of the Railways and the difference between good and bad trade and a good and bad monsoon meant a difference of several crores of rupees in our Budget figures. The taxpayer is now assured of a regular and growing contribution in relief of taxation from his investments in Railways and the task of maintaining a continuous financial policy and of distinguishing between a temporary and permanent surplus or deficit in our accounts is immensely facilitated.

3. I may, however, be pardoned if I comment on one uncomfortable disability which this change imposes this year on the Finance Member, who has to send his Budget speech out in print to all parts of India almost a week before it is delivered with the disquieting knowledge that many subjects relevant to the General Budget will have been under active discussion in this Legislature and in the country during the course of that week without his being able to modify one word in his speech in the light of such discussion. My previous predilection in favour of the change of the date of the Railway Budget from March to September is greatly fortified by this experience.

4. It will be convenient if I pass from this subject to the kindred subject of the introduction of a system of commercial accounting in the Posts and Telegraphs Department. In the Financial Statement for the year 1925-26 which I am about to lay before the

Commercialisation of accounts of Posts and Telegraphs Department.

House, the figures for the Posts and Telegraphs Department will for the first time be set out in a completely commercialised form. I do not think many people beyond those immediately concerned with the commercialisation of the accounts realise what a very difficult business it has been, and we are greatly indebted to the Accountant General, Posts and Telegraphs, and to the other officers concerned for their unstinted labours. The recasting of accounts into a new form must always involve a certain amount of confusion and possibility of error on first introduction, and many knotty problems of classification arise. It was not until January of this year that various important decisions of principle were finally reached, and both as regards the form of the account itself and the actual method of distributing the charges final orders have still to be issued in certain cases. The statements and estimates prepared represent, therefore, on several points decisions which must be regarded as provisional.

5. It is, however, possible for me to indicate with some completeness what the change of system involves. The Indian Postal and Telegraph Department exists primarily for the purpose of providing the Indian public with easy and rapid means of intercommunication, and in payment for the services rendered in that capacity it obtains revenue from the sale of stamps, money order commission, etc. But in addition to these services, the Department, which is ubiquitous throughout the continent of India and Burma, is naturally called upon to act as the agent of the Government in carrying out other essential services not directly connected with its primary activities. For example, the Department manages the Post Office Savings Bank, issues and discharges Post Office Cash Certificates, collects Customs duty on dutiable articles coming into India by post, manages the Postal Life Insurance Fund, and is the custodian of postal and telegraphic stores held in reserve for purposes of mobilisation of the Army. Hitherto the accounts of the Indian Postal and Telegraph Department have been kept mainly on a cash basis and until 1924-25 no credit was taken in its Budget for the value of services of the kind mentioned. In 1925-26 about 24½ lakhs will be credited to the Department in respect of these services as a deduction from gross working expenses. On the other hand, under the cash system the working expenses included no provision for interest on capital (with certain small exceptions) or for depreciation, and the charge for pensions which was transferred to the Department from the general superannuation vote only a year ago included simply the estimated outgoings of the year which are considerably less than the annual liability. Under the new system the Department will carry a sum of 50 lakhs for pension liability as against a sum of less than 40 lakhs representing the estimated outgoings for pensions in 1925-26. It is further proposed to call upon the Department to find 32 lakhs by way of provision for depreciation of assets. From the net receipts the Department will also pay interest on the block capital value of its assets, the amount required being provisionally taken at 66 lakhs. All these items represent charges which should legitimately be borne by any commercial concern. The block capital value has been provisionally based on the total outlay on capital account as shown in the Finance and Revenue Accounts, after allowing for depreciation. The whole question is now being investigated with a

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view to discovering to what extent the older assets of the Department may have disappeared without any corresponding adjustment having been made in the accounts, and any mistakes discovered will have to be rectified. In addition to paying interest on the depreciated block account, the Department is also legitimately liable to make good any arrear depreciation within a certain number of years. Ordinarily this charge should be met from its revenues, but as the present position is uncertain, we have provisionally allowed the Department to borrow from general revenues for this purpose and pay interest on the sum so borrowed. The pensionary liability which I have mentioned has also had to be taken at an arbitrary figure pending its calculation on an actuarial basis.

6. In order to enable comparisons to be drawn between the results of two years' figures for the Posts and Telegraphs Department, the estimates for the year 1924-25 have been recast in the form in which they would have appeared if the scheme of commercialisation had been given effect to this year. For the year 1925-26, if I may be allowed to anticipate a little the figures for the new Budget, the gross Budget estimate of revenue of the Indian Postal and Telegraph Department is 10.41 crores; the gross expenditure amounts to 9.76 crores; the net receipts are thus 65 lakhs. Out of these net receipts provision has to be made for interest on capital to the amount of 66 lakhs. The final profit and loss account of the Department on this basis shows a loss of Rs. 60,000 for 1925-26. If the figures for 1924-25 were recast on the same basis, the gross receipts would amount to 10.07 crores; the working expenses to 9.44 crores; the net receipts to 63 lakhs; and after making allowance for interest and other charges, the net outturn would show a loss of a little less than 3 lakhs. I do not wish to lay any particular emphasis on these figures or to draw any particular inference from them at this stage. Minor modifications will be necessary when the outstanding questions have been finally settled and the actual results of the year's working may show some diminution of expenses or some increase of revenue which will turn the small loss into a small profit, but the margin is in any case narrow. It is satisfactory to know, however, that the Department is not, as at one time I feared, working at a considerable loss, and with the improvement of trade which now seems to be taking place, I am not without hope that a year hence a better showing will be made. An attempt has been made in the detailed statement explaining the Demands for Grants for this Department to allocate the receipts and expenditure among the main branches of its activity, viz., Post Office, Telegraphs and Telephones. I should, however, warn the House against the danger of accepting this as an exact measure of the results of working of the different branches and basing any conclusions thereon. The activities of the Department are so closely intermingled that any allocation is bound to be arbitrary. Moreover an increase in the receipts of one branch has inevitable reactions on the receipts of other branches. For instance, an increase in telephone receipts may be accompanied by a reduction in postal receipts or, in the case of long distance telephones, in telegraph receipts. The estimated figures of profit and loss for 1925-26 as calculated by the Accountant General, Posts and Telegraphs, are as follows: the Post Office is expected in 1925-26 to work at a net profit of about 29 lakhs and the Telegraphs and Telephones at a net loss of 26 lakhs and 4 lakhs each, these figures being to a large extent accounted for by the amount of interest payable on their capital outlay

by the Post Office, Telegraphs and Telephones, *vis.*, 8, 48½ and 9½ lakhs respectively.

7. Before passing on to my actual Budget, I wish to refer briefly to Changes in Demands for some changes that have been made in the Grants. Demands for Grants which, I believe, the House will appreciate. The Public Accounts Committee have this year devoted much attention to the form of these grants and we have, wherever possible, accepted and given effect to their views. We have, for instance, adopted their suggestion of rearranging our territorial grants on a more logical basis and of removing from the High Commissioner's grant large items such as the expenditure on Currency stores. We have indeed gone further in this direction than they recommended. We have, for a different reason, decided to remove all stores from the High Commissioner's grant and to include them in the various departmental grants. The House will remember that one of the objects of the Act which was passed last year making Government stores liable to Customs duty was to encourage purchase of stores in India as far as possible. It is essential for that purpose that the Customs duty shall be actually taken into account by the spending Departments in considering the comparative cost of goods imported from abroad and goods bought in India. This is, however, impossible if the cost of the stores is included in one grant and the Customs duty in another, for a transfer of funds from one grant to another is not possible without a fresh vote of the Assembly. The effect of the inclusion of the cost of stores, along with Customs duty, in the departmental grant will be to make the comparison real and enable the spending Department to utilise the total provided for purchases in India. The Demands for Grants have also been altered in another direction to which, I know, both the House and the Public Accounts Committee attach much importance. The total number has been increased considerably. Apart from the large increase in the number of grants connected with Railways which we have been discussing this week, we have adopted the suggestion which you, Sir, made last year that there should be a separate grant for each Department of the Government of India instead of one grant for "General Administration". This one grant has now been replaced by thirteen, giving greater facilities, which I have no doubt will be fully utilised, for criticism and review of the administrative activities of the Government.

ACCOUNTS OF THE YEAR 1923-24.

8. In dealing with the Posts and Telegraphs Department I have been led to anticipate a little the normal order of the Financial Statement. It is now time to turn to the ascertained results of the year 1923-24. The actual figures more than justify my statement a year ago that, although the revised Budget seemed to point to a small deficit of 38 lakhs on ordinary account, it would not be surprising to find that the final figures showed an actual surplus. Owing to the unavoidable uncertainties of a period when drastic retrenchments were being carried out in accordance with the recommendations of the Retrenchment Committee, whose report was received only a few days before the original Budget was presented, both the original and the revised Budgets for 1923-24 were peculiarly difficult to frame. The Revised estimates for 1923-24 showed a total revenue of 131.96 crores, and a total expenditure of 129.90 crores, leading to a surplus of 2.06 crores including the extraordinary receipt from profits from the control of enemy ships. The actual figures for the year show the revenue at a total of 133.17 crores, and the expenditure at 130.78 crores, leaving a realised surplus of 2.39 crores.

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9. These figures cannot, however, be compared without further explanation with the revised figures presented a year ago. The net Military expenditure given in the Revised estimates as 59.74 crores is reduced, now that the actual figures are finally ascertained, to 56.23 crores. About 66 lakhs of this saving of 3.51 crores are due to a reduction in the expenditure in England on payments for surplus officers, purchase of stores, etc. The rest of the saving occurred in India and may be regarded as the cumulative reward of our persistent efforts to secure all-round retrenchment—a result for which we are very greatly indebted to the constant watchfulness of His Excellency the Commander-in-Chief assisted by the Financial Adviser, Military Finance. To His Excellency the Commander-in-Chief's unfailing co-operation and assistance in the task of reducing the expenditure of the Army I wish to pay a very special tribute of thanks. It is a task which is always an ungrateful one and particularly so when undertaken by a Commander-in-Chief.

10. Our true expenditure for the year 1923-24 for Military services is, however, understated at 56.23 crores, since in addition to the cash expenditure, allowance has to be made for the fact that over 3 crores of surplus stores were utilised by the Army during the year in question and not replaced. This considerable reduction of accumulated stores is a very valuable economy and is in accordance with the recommendations of the Retrenchment Committee, but it is necessarily a non-recurrent saving and for purposes of comparison in future years the net military expenditure for 1923-24 may be taken at approximately 59½ crores, of which 56.23 crores were in cash and the remainder was in kind. The House will, of course, appreciate that the year 1923-24, the first year in which the Retrenchment Committee's cuts were brought into force, was in many respects abnormal, and, as I have said, estimating was unusually difficult. The error on this occasion was very emphatically on the right side, but a careful examination is being made into the whole machinery of the preparation of our Military estimates with a view to the prevention of over-budgetting. The estimates for 1925-26, which I shall be presenting shortly, have been very carefully pruned for this purpose.

11. But in spite of this reduction of 3½ crores in Military expenditure as compared with the Revised estimate and of larger receipts from Salt duty in March 1924 than anticipated, the actual surplus shown in the accounts does not differ widely from the figures presented by me a year ago, because we have made two changes in accounting which, while not affecting our Ways and Means position in any way, reduce the apparent amount of the surplus, with great advantage to our financial position in future years. The first of these changes is the adjustment against the revenues of 1923-24 of the whole of the discount charges, amounting to 82 lakhs, on the 1923 loan, which we had originally proposed to spread over a period of years. The second and the more important change is that we have transferred from the Suspense account and charged against the revenue of the year certain items, aggregating 3.41 crores, consisting of loans and advances to the Persian Government incurred both before and during the Great War. This expenditure was shared by us with the British Government and the practice of the British Treasury is to treat such outgoings at once as expenditure against the revenue of the year instead of keeping them in suspense as has been done in India. From a book-keeping point of view it is unsatisfactory to keep large amounts in

suspense for an indefinite period without bringing them finally to account. The Public Accounts Committee has recently drawn attention to this defect in our system with special reference to these particular transactions. We are endeavouring to avoid suspense entries in our accounts in future so far as possible. Meanwhile we have taken advantage of the opportunity offered in 1923-24 to write off all these items against revenue. The fact that this book adjustment has been made does not, of course, in any way affect the liability of the Persian Government with whom negotiations are proceeding for recovery of the debt. A comparative table is being bound up and circulated with the Budget speech, as was done last year, showing the actual outturn for each of the last ten years. The final result of the year 1923-24 is, as I have already said, a realised surplus of 2·39 crores.

REVIEW OF THE YEAR 1924-25.

12. Our hopes of a steady revival in trade, which were disappointed in 1922-23 and 1923-24, have at last been fulfilled in 1924-25. The characteristic feature of the year has been the movement of a greater bulk of commodities both for export and for home consumption. The first ten months of 1924-25 show once again a considerable expansion in the exports of grain and pulse. The price of tea has been advancing and our exports for the year constitute a record. The cotton trade had been adjusting itself to smaller margins, but an encouraging feature of the year is the steady expansion in the export of Indian-made piece-goods, especially noticeable under the head of grey piece-goods. In the last months of 1924 some of our chief exportable commodities, notably, jute, tea and wheat, rose markedly in price. Cotton, on the other hand, was falling in price and has been slow in coming to the market. The hopeful prospects entertained by the cotton industry have not as yet fully materialised, but with a large crop in sight and indications of a steady internal demand, there are legitimate grounds for hoping that the delay in their realisation is only temporary.

13. The total value of the exports of Indian merchandise for the first ten months of the financial year was 297½ crores, which is over 60 crores in excess of the figures of 1922-23 and 24, crores in excess of those of 1923-24. Imports have advanced similarly, and the balance of trade in merchandise in India's favour up to the end of January 1925 was exactly the same as at the end of January 1924, namely, 103½ crores. After allowing for a total import of bullion during the first ten months in question of 61½ crores, there remains a net balance of 42 crores in favour of India, as against 68½ crores a year ago.

Revenue.

14. The welcome recovery in trade is clearly visible in the figures of gross Customs receipts. We budgeted for a gross revenue under this head of 46·02 crores and a net revenue of 45·02 crores. The present figures indicate that the gross receipts will be 48·74 crores—an increase of 2·72 crores. There is a falling off in receipts under the heads tobacco, matches, and machinery, but nearly every other head shows an increase, specially the revenue from import duties on cotton piece-goods and sugar, and that from cotton excise duty now estimated to yield 2·10 crores in 1924-25. Metals other

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than iron and steel, and export duties, also show noticeable increases. The protective duties imposed last June are expected to bring in about 2.25 crores, of which about 1.10 crores may be regarded as additional revenue.

15. This real improvement in Customs revenue is, however, obscured by the necessity of making a much larger provision for refunds than was estimated to be required. Ordinary refunds are put at 18 lakhs more than the estimate, mainly as the result of an increase in the transit traffic to Afghanistan. But it is under the head of extraordinary refunds that the big disturbing element enters. The House will remember the reference I made a year ago to our appeal to the Privy Council against the decision of the Bombay High Court that stores imported by Railway Companies working State lines came under the definition of Government stores. The Privy Council has recently decided against us, and as I warned the House, we have in consequence to make large refunds of duty. The amount of these refunds was estimated roughly a year ago at about 2 crores, and an amount of 2 crores was accordingly retained from our extraordinary receipt from enemy ships against this contingent liability. Our latest estimate places the amount to be refunded at 2.80 crores, and this payment has to be shown as a refund under the head Customs. Thus, in spite of an increase in our gross receipts, our net Customs revenue is now estimated at 44.76 crores or about 26 lakhs less than we originally budgeted for.

16. The effect of the Privy Council decision has already formed the subject of discussion when we were dealing with the Railway Budget, but I think it will be convenient to the House if I explain shortly the exact bearing of these refunds on our general financial position. So far as concerns Ways and Means, the net effect is almost negligible, for our loss under Customs appears as a gain under Railways. Out of the total of 2.80 crores, 1.55 crores are attributable to stores consumed for purposes of capital expenditure and go to reduce the capital expenditure of the year, and the balance of 1.25 crores representing duty on stores consumed on revenue account goes to reduce the working expenses. The net receipts from Railways during 1924-25 are correspondingly increased and consequently also the surplus profits paid to the Companies working the lines. It is only this last amount which is absolutely a loss to the Government of India in one or other of its capacities. The share of the Companies in the profits is proportionate to the amount of capital contributed by them, and as the capital they have contributed is small, only about 15 lakhs of this special receipt goes to them. The balance of 1.10 crores swells the Railway surplus for the year, and as this is already over 3 crores, two-thirds or 73 lakhs are transferred to the Railway Reserve, and one-third or 37 lakhs added to the contribution payable by the Railways to general revenues. Our revenue position is, however, more seriously affected. We have lost 2.80 crores under Customs and only 37 lakhs of it come back as an addition to the contribution made by the Railways to general revenues. But to meet this loss we have the amount set apart last year from the enemy ships account. The total amount due to India from this account has proved to be somewhat more than 4.69 crores, the amount originally estimated. The sum credited to revenue in the accounts of 1923-24 was 2.41 crores; 25 lakhs have been set apart to

meet the claim on account of *ex gratia* grants to private individuals in consideration of losses suffered from enemy action which, it is expected, we shall have to make in 1925-26 instead of in the current year as originally intended. We are taking as an extraordinary receipt in the current year 2.55 crores which compensates for the loss of revenue resulting from the Privy Council decision in regard to stores imported by Railway Companies. In 1925-26 excluding the 25 lakhs already referred to, a further credit of 13 lakhs is expected on account of the profits of working of the enemy ships till finally disposed of. This will, we believe, finally close this account.

17. I referred a year ago to the experimental nature of our estimate of receipts under the head of Taxes on Income.

Taxes on Income. The figure included in our Budget for 1924-25 was 18.22 crores. Our latest estimate is 1.75 crores less. As the House knows, the Income-tax demand is based on the results of the preceding year, but while trade conditions in 1923-24 did not appreciably differ from those of the previous year, the total yield of 18½ crores in 1923-24 included large arrear collections. The year 1924-25 consequently opened with comparatively lighter arrears and our receipts are reduced accordingly. Thanks to the efforts of the Central Board of Revenue, I have reason to hope that our estimates of Income-tax will henceforward contain a smaller element of conjecture. I am also confident that with improving trade and progressive improvement in our machinery of collection there is a considerable margin for increase in future years under this head of revenue.

18. But I desire to take this opportunity of referring publicly to a somewhat serious danger which threatens our Super-tax revenue. There are some among the richer members of the community in India who are constantly engaged in exercising their ingenuity in order to evade by legal devices the payment of the taxation legitimately due from them. I refer in particular to the device of creating what are really bogus Companies with a view to escaping individual responsibility for Income-tax and Super-tax. One such instance of a most glaring kind from Bombay has recently come to my notice which threatened to lose us over Rs. 50,000 in the case of a single individual. It is the bounden duty of the Government to spare no effort in order to put an end to these practices, which can be indulged in only by the rich and only at the expense of the tax-payers of India in general and particularly of the poorer tax-payers. The Government have not yet completed their proposals for amending the Income-tax Act in such a way as will deal effectively with this class of evasion, and legislation on the subject is beset by difficulties, but I know that we can rely on the support of the House in securing that to the best of their abilities they will close up any loophole that may exist in the present Income-tax law, and make certain that the intentions of the legislature in framing the existing scale of Income-tax and Super-tax which is graduated according to the capacity of the individual to pay shall not be systematically frustrated of its legitimate purpose.

19. Under the head of Salt we expect to receive 1.31 crores less than our Budget estimate of 9.05 crores. This is exactly the amount by which the actual receipts from salt in 1923-24 exceeded our expectations as set out in the revised Budget of that year. Our estimates allowed for a rapid replenishment of stocks following upon the reduction of the duty. But we underestimated

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the rapidity. The rush by dealers to replenish stocks took place in such volume during March 1924 that the receipts in that month exceeded the estimate by 1·31 crores, and the receipts in 1924-25 are correspondingly reduced.

20. There is a considerable decline in our estimated receipts from

Opium.

Opium. Our revenue under this head is derived in great part from fixed sales to external Governments both within and outside the British Empire with whom we have definite agreements, but in addition we have for some years been offering 3,000 chests a year for sale by auction at Calcutta. These chests are bought by traders for export to foreign countries with whose Governments we have not concluded any agreement for direct sales. All such exports are dependent on the grant of an import certificate by the Government of the country to which the opium is being exported and no export is allowed without such a certificate. Recent international discussions regarding opium have introduced much natural uncertainty in the opium trade, and since October last we have sold very few chests by auction; in February we sold none at all. The consequence is that we now expect a reduction in revenue of 65½ lakhs, and it is not improbable that our Opium revenue will continue its progressive decline in the next few years.

21. The position will be better understood if I give figures of net revenue instead of gross receipts. Our net revenue from Opium since the year 1921-22 has been as follows:—

1921-22	. . . . .	1·27	crores.
1922-23	. . . . .	1·92	„
1923-24	. . . . .	1·66	„

For 1924-25 we originally estimated for a net receipt of 2·25 crores. Our revised figure is 1·31 crores, the gross receipts being 3·68 crores and expenditure 2·37 crores. In addition to a reduction of 65½ lakhs in our receipts, there is an increase of 28½ lakhs in our Opium expenditure due to the high outturn of the crop. In our forecast for the year 1925-26, which it is convenient in this instance for me to anticipate here, our Opium expenditure is expected to be reduced by 57 lakhs as the result of a reduction of the price paid to cultivators and restriction of the cultivated area. This has become necessary since our stocks in reserve are growing beyond our requirements and would otherwise have become unduly high particularly in view of the possibility of a progressive reduction in demand. In consequence of this and of the inclusion in our excise opium receipts of a special non-recurring item of about 20 lakhs to which I shall refer later, our net revenue for 1925-26, in spite of a reduction in sales, is expected to be 1·76 crores, which is 45 lakhs higher than the revised figure for 1924-25.

22. I need say little at this stage in regard to our Railway receipts and expenditure. The net credit to general revenues

Railways.

anticipated in the Budget was 4·58 crores, a figure arrived at without reference to the prospect of the separation of Railway Finance from General Finance. The fixed contribution to general revenues in accordance with the arrangement approved by this House last September is 5·00 crores; and in addition we are entitled to one-third of the

excess over 3 crores of the net balance shown by receipts over expenditure. The figures for 1924-25 can best be summarised as follows:—

	Crores
Net receipts from Railways after deducting all payments including working expenses, but before adjustment of contribution and transfer to Railway Reserve	9.74
Contribution to general revenues	5.09
Balance	4.65
Central Government's share representing one-third of the excess of this balance over 3 crores	0.55
Net transfer to Railway Reserve	4.10
Net credit to general revenues $5.09 + 0.55 =$	5.64

23. I have already given the Revised estimates for the Posts and Telegraphs Department in dealing with the introduction of the new system of commercial accounting. The actual outturn of the year on the old basis, as now estimated, differs very little from our anticipations at the time when the original Budget was framed. There is reduction in net receipts amounting to 16 lakhs, which is more than fully accounted for by the fact that we agreed to increase by 23 lakhs the assignment to Provincial Governments on account of their share of the receipts from unified stamps.

24. The only other variation of importance in the revenue for 1924-25 is under the head of Interest where we expect an improvement of 51 lakhs exclusive of exchange, owing to larger balances.

Expenditure.

25. On the expenditure side one of the most important variations between the original and Revised estimates for 1924-25 occurs under the head of Exchange. The House will remember that our Budget estimates were based on the assumption—for which I was careful to disclaim any prophetic value—that the average rate of exchange of the year would be $16\frac{1}{2}d$. I was accused in more than one quarter of rashness, but the sequel shows that I was unduly cautious, for the average rate of exchange for the year is now put at $17\frac{1}{2}d$. Exclusive of Railway transactions which affect our general financial position only indirectly, the resulting net saving in our expenditure amounts to 2.15 crores of which 70 lakhs occur under Military services and 5 lakhs under Posts and Telegraphs.

26. Our estimates provided for a net Military expenditure of 60.25 crores. This estimate was framed on the basis of the Budget of the previous year modified by such information as was available at the time when the original estimate for the current year was prepared regarding the progress of expenditure during 1923-24. We have now before us for our guidance the actual figures for 1923-24 which give us for the first time since the War a basis of calculation which begins to approximate to the normal. Aided by this experience and by the recorded figures of expenditure during 1924-25 up to date, we now find ourselves justified in adopting a net figure of 56.33 crores as the Revised estimate for the current year, a figure which is nearly 4 crores

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better than the original estimate. Shortage in the authorised establishments of the various services and further economies in several directions account for a reduction of 1·70 crores. Exchange accounts, as I have already said, for 70 lakhs. Surplus stores have been consumed or otherwise disposed of to the extent of 1·10 crores, or 45 lakhs above the original estimate, while gratuities to surplus officers and other payments to the War Office for the British forces in India are expected to require 53 lakhs less. There is a saving of 15 lakhs under the head Military Works and various other savings in expenditure amount to 50 lakhs. On the receipt side, arrears from adjustments of war expenditure have brought us in 42 lakhs more than we anticipated. On the other hand, we have had to provide for an increase in the cost of the Army owing to recent rises in the prices of forage and other supplies for which I have allowed 15 lakhs. An addition of 11 lakhs has to be made in our estimate for non-effective charges. The revision of the pay and allowances including free passages to officers of the Army within the current year involves the provision of an additional 29 lakhs in the Revised estimate. I shall return later to our Military expenditure in dealing with the figures for 1925-26.

27. I have already mentioned the excess of 28½ lakhs under the head Civil Expenditure, of Opium expenditure required for additional payments to cultivators. Under all the other heads of our Civil expenditure taken together, and excluding the saving under the head of Exchange already mentioned, there is a net excess of 29 lakhs. The bounties under the Steel Protection Act have cost us 37 lakhs, and the additional bounties recently assented to by House will cost us a further 25 lakhs, making 62 lakhs in all. In addition we have to meet the cost of improvements, following the Lee Commission's recommendations, in the pay, pensions and allowances of the Superior Services under the Central Government amounting to about 25 lakhs. Of this figure, however, about 5 lakhs fall to be paid out of the Railway Budget, and 2 lakhs have already been included in the figures for the Posts and Telegraphs Department. It is satisfactory to observe that, in spite of these additional charges, the net excess in the Revised estimate for other Civil expenditure over the original Budget amounts to 29 lakhs only.

28. The above variations in revenue and expenditure are summarised below:—

	[In lakhs.]	
	+ Better.	— Worse.
Railways (net, including exchange)	+ 106	...
Military Services (net, including exchange)	+ 392	...
Posts and Telegraphs (net, including exchange)	...	— 27
Total Civil revenue (excluding exchange)	..	— 172
Total Civil expenditure (excluding exchange)	...	— 57
Exchange on Civil transactions (net)	+ 140	...
	+ 638	— 256
	+ 382	
Original Budget surplus	+ 18	
	+ 400	

		[In lakhs.]	
		+ Better.	-- Worse.
Details:—			
Civil revenue (excluding exchange)—			
Customs . . . . .	...		—25
Taxes on Income . . . . .	...		—174
Salt . . . . .	...		—131
Opium . . . . .	...		— 65
Interest	+51	...	
Extraordinary receipts	+169	...	
Other revenue heads	+3	...	
		+ 223	— 395
		—172	

Civil expenditure (excluding exchange) :—

Opium expenditure . . . . .	...	— 28
Other „ . . . . .	...	—29
		—57

29. The House will observe from these figures that in place of a modest surplus of 18 lakhs allowed for in the original Budget, we now hope to end the year with a surplus of just under 4 crores. This improvement is mainly attributable to the substantial savings in Military expenditure, to the savings in Exchange, to improved Customs receipts, and to the increase in the contribution from Railways to general revenues. The improvement under these items is more than enough to counterbalance the reductions in our revenue; the refunds of Customs duties to Company-managed Railways are covered by the amount set aside in Suspense from last year's windfall; and the savings under general Civil expenditure, for which as well as for the reduction in Military expenditure the steady vigilance of the Finance Department may claim some credit, have all but met the extra charges not anticipated in the Budget, for bounties in connection with the iron and steel industry, and the cost of the Lee Commission's recommendations.

Public Debt.

30. I devoted a considerable portion of my last year's speech to an analysis of our Public Debt and a sketch of a programme for systematising our provision for Reduction and Avoidance of Debt. As the subject of our Public Debt was discussed at considerable length in this House on February the 17th, there is no need to-day to repeat at length the statement which I then made to the House. It will, however, be convenient I think to include in this speech some of the more important figures. They show some slight variations from the figures previously given being based in certain cases on later information.

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Statement showing the Debt of India outstanding on the 31st March 1914, the 31st March 1924 and the 31st March 1925.

(Figures in crores of rupees.)

	31st March 1914.	31st March 1924.	31st March 1925.
<i>In India:</i>			
Loans	145.69	258.81	370.18
Treasury Bills in the hands of the public.	...	2.12	...
Treasury Bills in the Paper Currency Reserve.	...	49.65	49.65
Other obligations—			
Post Office Savings Banks	23.17	24.79	25.92
Cash Certificates	...	8.42	13.02
Provident Funds, etc.	10.93	39.20	43.16
Total Loans, etc.	145.69	410.53	419.23
Total other obligations	34.10	72.41	82.10
Total in India	179.79	482.99	501.93
<i>In England (at Rs 15 to the £):</i>			
Loans	265.60	266.80	295.23
War Contribution	...	28.90	28.10
Capital value of liabilities undergoing redemption by way of terminable railway annuities	105.90 (= £70,600,898)	9.14 (= £60,095,487)	88.25 (= £58,836,487)
Total in England	271.50	485.84	511.78
Total Debt	551.29	968.83	1013.71

31. The above figures include the debt due by the Provincial Governments to the Government of India amounting to 97.56 crores on the 31st March 1924 and 106.95 crores on the 31st March 1925. The productive debt was 673.59 crores on the 31st March 1924 and will be 725.15 crores on the 31st March 1925. The unproductive debt was 295.24 crores on the 31st March 1924 and will be 288.56 crores on the 31st March 1925. Exclusive of Provincial Governments' debt, which may also be regarded as almost entirely productive, the increase in the productive debt during the current financial year amounts to 42.17 crores. It is almost entirely accounted for by capital expenditure on Railway development and includes not only the new capital expended during the year, but also the amount of £18½ millions of the East Indian Railway Company's debentures taken over by the Government of India on the termination of the Company's contract. This latter figure, while it represents an addition to the direct obligations of the Government, does not of course represent any addition to the indebtedness of India as a whole, being merely a transfer from the Railway Company to the Government of the liability to meet the same interest charge out of the earnings of the same Railway. Unproductive debt decreased during 1924-25 by 6.68 crores, but the real decrease was

larger since to the extent of $1\frac{1}{2}$ crores the nominal total of the debt has been increased by the conversion of 7 per cent. Government of India sterling loan into 3 per cent. stock, a conversion which, while doubling the nominal amount, has the effect of reducing the interest charge on the nominal total from 7 per cent. to 3 per cent. and represents an annual saving in interest.

32 Our internal debt (again excluding Provincial Governments' debts to the Government of India) on the 31st March 1924 was 385.43 crores and on the 31st March 1925 will be 394.98 crores. Our external debt was 485.84 crores on the 31st March 1924 and 511.78 crores on the 31st March 1925. (For the purposes of calculation of our external debt I convert sterling at Rs. 15 to the £ in order to facilitate comparison with previous years. I may, however, add that at the present rate of exchange of 18d. the external debt amounts only to 454.92 crores.) The increase in our external debt is, however, purely nominal and the explanation of it is the same as that already given in another connection, namely, that the later figure includes 27.75 crores or £18½ millions of East Indian Railway Company's debentures which are not really an increase in the debt of India at all, while a further $1\frac{1}{2}$ crores represent the increase due to conversion of the 7 per cent. loan into 3 per cent. stock. Apart from these nominal changes, we have reduced our external debt during 1924-25 by nearly £2½ millions.

33. The method which I outlined last year for the regularisation of the provision for the reduction or avoidance of debt has been adopted substantially in the form then proposed in the scheme recently announced by the Government of India. The scheme is fully explained in the Government of India Resolution dated the 9th December 1924. Under that scheme, for a period of five years in the first instance, the annual provision for reduction or avoidance of debt to be charged against annual revenues is fixed at 4 crores a year plus $\frac{1}{50}$ th of the excess of the debt outstanding at the end of each year over that outstanding on the 31st March 1923. The provision required under this arrangement for 1925-26 is 4.78 crores, the increase being due partly to the considerable addition to our Permanent Debt as a Government involved in the taking over of £18½ millions of the debenture stock of the East Indian Railway. When it is remembered that the gross amount of the debt owed by the Government of India to its various creditors exceeds 1,000 crores of rupees, a provision of 4.78 crores cannot be regarded as other than modest, amounting as it does to less than half of 1 per cent. of the gross amount. This figure of 4.78 crores compares with the provision of 4.52 crores in the original estimates for 1923-24 which was not based on any regular programme but represented the aggregate amount of the specific sinking funds then in operation for specific loans. There is a further item which appears under the same head for 1924-25 and for 1925-26, namely, the equivalent of the amount of Customs duty on capital stores imported for State-managed Railway lines. Such Customs duty represents an addition to our revenue arrived at by an addition to our Capital expenditure and as explained in my Budget speech last year we have earmarked it as a special contribution from Revenue to Capital.

34. In view of the debate which took place on this subject a fortnight ago I need not enlarge again on the importance of a regular and systematised provision being made in our annual Budget for reduction or avoidance

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of debt. The most extravagant thing a Government with large commitments and a big programme of new borrowing can do is to provide an insufficient sinking fund. Any apparent saving that may be effected in the Budget for one year by a reduction of the amount provided will be more than offset in the next year or two by the additional interest that will have to be paid on new loans including conversions. We have a large volume of short-term bonds maturing during the next decade, and arrangements have to be made for re-borrowing the amounts which fall due. We have also a heavy programme of new capital expenditure which we have to finance mainly out of borrowed funds. It is essential that we should maintain our credit both internally and externally unimpaired, if we are to carry through successfully the business of renewing maturing debt and raising the new capital which we require. Our provision for reduction or avoidance of debt assists us in this task in two ways, for it not only reduces the amount that we have to borrow, but it also gives confidence to our creditors and to those whom we may want to induce to become our creditors in the security which we have to offer them, and thereby serves to keep down the rate of interest on our new borrowings. Nor must the value of such provision as an emergency reserve be overlooked. I have received evidence from many quarters to the effect that the regularisation of our provision for reduction or avoidance of debt has greatly strengthened the confidence of investors both inside and outside India in the soundness of India's financial position and methods, and in the desirability of her Government loans as investments for their savings.

Provincial Loans Fund.

35. Before I pass to the figures for the year 1925-26, let me mention one further innovation in our Public Debt policy which, though not at the moment ripe for introduction, is so far advanced that I have every hope of its introduction as from the beginning of the new financial year. I refer to the proposal for the establishment of a Provincial Loans Fund which has already been twice discussed at the conferences of Finance Members held in Delhi in November 1923 and November 1924. The purpose of this proposal is to systematise the arrangements by which advances are made by the Central Government to Provincial Governments. A central Fund is to be established, financed for the present out of Central Government moneys, out of which all advances granted by the Government of India to Provincial Governments will be made—the charges for interest and the terms on which the advances granted for various purposes are to be repaid being fixed for all Provinces alike at such rates as will keep the Fund solvent. Hitherto advances have been made direct to the Provincial Governments out of the balances of the Central Government and the terms and conditions including the rate of interest and the period of amortisation have been dealt with piecemeal and special orders have been passed by the Government of India on each occasion as it arose.

36. There is, I am sure, much to be gained by the recognition of definite principles regulating such borrowings. The arrangements proposed are now under the final consideration of Local Governments all of whom have accepted the proposals in principle. They are of a simple character in themselves, but besides emphasising general principles, the scheme contains within itself the germs of development, and I look forward to the day when the Fund may be administered by an Indian body corresponding

to the National Debt Commissioners or the Public Works Loan Commissioners in England, and the money required for advances from the Fund raised in the open market by the controlling body on the security of the assets of the Fund. It is too early yet to say when such a development, though it may already be foreseen, will materialise. I am confident, however, that considerable benefits will accrue to the finances of India when the day comes on which the advances made by the Central Government to the Provincial Governments will be excluded from the Public Debt of the Government of India in the same way as advances made on the guarantee of the British Treasury to public bodies in the United Kingdom are excluded from the British Public Debt. Not only these advances to the Provincial Governments but also the Railway debt of the Government of India may ultimately be separated from the ordinary debt, and raised, subject perhaps to a Government of India guarantee, not on the general credit of the revenues of India but on the security of the assets of the Provincial Loans Fund and of the Railway undertakings of the State respectively. The true facts regarding the Public Debt of India would be less obscure than they are to-day, and the facilities for raising new capital would be widened, if so large a portion of the money required for capital development of all kinds in India had not to be raised by a single borrower, namely, the Government of India, on the sole security of the revenues of India.

BUDGET ESTIMATE FOR 1925-26.

Exchange.

37. The way is now clear for the presentation of the Budget estimates for the coming year. I will deal first with the subject of Exchange. For 1924-25 the rate of exchange is expected to work out at an average of 17½d. and for nearly half the year exchange has been fairly steady in the neighbourhood of 18d. I have no intention this year, any more than a year ago, of prophesying or promising any particular rate, but, as I said last year, we are compelled to adopt some definite figure for Budget purposes, although the actual figure must be subject to events entirely of mainly beyond our control. The House is already aware from our discussions in connection with the Railway Budget that I have taken for Budget purposes for 1925-26 a figure of 18d. In view of the debates which have already taken place in this House during the current session on the exchange question I should have been content to leave the matter at that and not take up the time of the House by devoting a part of my Budget speech to a further examination of the subject of Exchange. Moreover, I am anxious neither to argue nor to be thought to be arguing for or against the ultimate fixation of the rupee at any particular figure.

38. But there is one aspect of the question which I had hoped to deal with on the debate on Sir Purshotamdas Thakurdas's Bills to fix the ratio of the rupee at 1s. 4d. gold forthwith. Those Bills cannot now come up for discussion much before the end of the session, and consequently I feel compelled to say something on the subject to-day. I am compelled to do this because it has been brought home to me that the old fallacy that a high exchange benefits the importer of goods from abroad and a low exchange benefits the primary producer and the exporter, is still prevalent in some parts of India, and that the absence of any reasoned refutation of this doctrine from the spokesmen of the Government has been taken to

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imply that it cannot be refuted. The explanation, so far as I am concerned; of the absence of any refutation is a simple one. It was not until quite recently that it dawned on me that any one could seriously believe it to be true.

39. This hoary old fallacy has long ago been given up in most countries of the world. Why should it still have a semblance of life in India? The reason is partly perhaps that it is founded on one partial truth from which it is a wholly and entirely unjustifiable generalisation. I will return to this in a moment. But the main reason is, I fear, a less tangible one. If a view is sincerely held and is based on reasoning, it is possible to meet it in argument, but it does not appear to be so in this case. There is a deep-rooted suspicion in some quarters, due I think to want of clear understanding of a difficult subject, and for that reason all the more difficult to eradicate, that the policy of the Government of India in regard to Currency and Exchange is consciously dictated solely or mainly by a consideration of interests other than those of India or even—so sinister is the suspicion—is directly calculated to keep Indian business and commerce from availing themselves of their natural opportunities and from growing to their full stature. There is no knowledge for which I wish more ardently than knowledge and understanding how to combat this suspicion which I know is absolutely unfounded. I am sure that everyone in this House recognises that neither I nor the Government of India have any interests whatsoever other than the interests of India in our minds in the policy which we are following in regard to Currency and Exchange. Some members may disagree with our policy, but they do not doubt our motives. Outside the House it seems to be otherwise. When an increase of world competition—inevitable in present world conditions—creates difficulties or reduces profits, at once voice is given to the suspicion that in some obscure way the Government of India, whose interests as representatives of the tax-payer are necessarily identical with those of Indian trade, are deliberately trying to damage Indian trade. All sorts of motives which have never entered into the head of the Government are attributed to them and the tragedy of the position is heightened by the fact that the existence of such suspicions and the attribution of such motives are themselves a bar to effective co-operation between the Government and the people of India and add enormously to the difficulties of arriving at and carrying through the policy most truly beneficial to India.

40. The partial truth to which I referred just now is that in a period of rapidly rising exchange there may be some temporary tendency for exports to be checked and imports stimulated. But when, as has been happening in the last 12 months, world prices have been moving up outside India and a natural stimulus has thus been given to the world's demand for India's produce, the effect of a rising rupee exchange has been in the main to keep rupee prices from rising in sympathy with world prices. During the last year or so prices of goods imported into India have gone up considerably in terms of sterling, while remaining fairly steady in terms of rupees. Similarly prices of goods exported from India have remained fairly constant in terms of rupees, but have gone up in terms of sterling. I take sterling as the most suitable currency for the purposes of comparison because exports from India tend to be paid for in sterling to whatever country they may be consigned. The exporter, that is to say, has been getting a larger amount of sterling for his exports, but when his sterling has been

converted into rupees, the amount of rupees has proved to be much what it was before.

41. Let me give a few figures in illustration comparing the prices of Indian exported produce in August 1923 and October 1924.

	August 1923.	October 1: 24.
Rice	13/6	18/-
Wheat	40/-	63/6
Linseed	£18-10-0	£25-0-0
Ground nuts	£20-10-0	£28-10-0
Copra	£27-5-0	£33-0-0
Cotton seed oil	£34-0-0	£44-0-0
Ground nut cake	£11-10-0	£13-10-0
Jute	£22-5-0	£42-10-0
Cotton	11/20d.	12/30d.
Wool	12d.—14½d.	19d.—26d.
Hemp	£20—£35	£38—£55
Hides	1/3d.	2/1d.
Skins	5/9d.	6/10d.
Manganese	1/9d.	1/10d.
Tea	1/6d.	2/-
Coffee	126/-	190/-
Shellac	260/-	330/-

I take the figures for October 1924 because these figures relate to the moment when the Government of India intervened last autumn to make large purchases of sterling in order to check the rise in exchange for the time being—an action which I may observe proves conclusively, if proof were needed, that there is no foundation for the charge which I have more than once denied categorically that the Government of India's policy has been to push exchange up. But I think I am correct in saying that in most cases (tea is an important exception) the sterling prices of the commodities in question are now as high as or higher than they were in October. The lesson of these figures is that the rise of approximately 12½ per cent. in exchange which has been taking place during the period in question has been reflected not in a reduction of the rupee prices obtained by the exporter, but in an increase of the sterling prices paid by the importer who has been forced by India to pay the increased price represented by the increase in the sterling value of the rupee. The result has therefore been that during the period under consideration the rise in the rupee has had very little effect, if any, in the direction either of discouraging Indian exports or of encouraging imports into India. Indeed, if it had had this effect, the result would very quickly have been to bring the value of the rupee down again.

42. It is clear then that the producer for export has not been getting a lower value in terms of rupees than he was getting before the rise in exchange. But, it may be said, he would have been getting higher rupee prices but for that rise. Let me examine this claim from another angle. It is a truism that exports can be paid for only by imports. This is subject to one apparent exception when the imports take the form of securities, and for a country with a considerable external debt such as India has, there

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are considerable advantages in taking payment for exports in this form of imports. But it is clear that there is nothing disadvantageous for India in the fact that a given amount of rupees produces a larger amount of sterling and will go further therefore in redeeming India's sterling indebtedness. I need not pause further to deal with this exception. In so far as India produces for export, she must in some form or other take payment in imports, not of course necessarily from the country to which she exports, but from some external source or other. It follows that any effect which a rise in exchange may have in preventing a rise in the rupee prices of exported goods is balanced by a corresponding reduction in the number of rupees required by India in paying for the things which she has imported in exchange. In other words, the producer's rupees have gone further than they would otherwise have gone.

43. Let me illustrate this truth by one striking example which is indeed connected with a particular exception to the general statement I have just made that the effect of the recent rise in exchange has not been to increase imports. The result of recent exchange movements has certainly been to encourage one particular kind of import into India, namely, the import of gold. The price of gold has come down so much in terms of rupees as well as in terms of sterling that gold has looked very cheap. In so far as India takes gold in payment for her exports, therefore, a man who has had a given quantity of cotton or of wheat for export has been able to get in exchange a larger amount of gold than previously. In terms of gold India has been getting very much better value for her exports. I do not regard gold as the ideal form in which India should take payment for her exports, but when the producer is getting a considerably larger amount of gold for his produce how can it be maintained that the rise in exchange has been robbing the producer to the extent of 40 crores of rupees a year or some equally fantastic figure?

44. But my opponent will say, a little less confidently I trust by now but still tender towards his pet fallacy, the producer does not produce entirely or even mainly for export, and surely he would have been better off if he got more rupees for his produce; they would have gone further in the bazar in his purchases of articles other than imported articles, the price of which is not affected by the enhanced price of imported articles which the lower exchange would have caused. I note in passing that many Indian producers for export do in fact take payment in gold imported in exchange. But my reply to this argument is that internal prices are very far from being unaffected by the level of external prices. Consider, for example, the present price of wheat. In some cases the effect of a change in that level may be delayed, but in the long run there always tends to be a constant equilibrium between prices of the various bazar commodities whether imported or not, and if the producer is getting rather more rupees for his produce, the consumer—in this case, be it noted, necessarily the Indian consumer—must be paying more rupees for his purchases whether produced in India or not. So, whatever the producer gains, if he does gain (and his gain would in any case be only a temporary one), is at the expense of the consumer who is in any case an Indian and may be the producer himself in his capacity as a consumer. Where is the gain to India in this? Moreover, to a very large extent the producer in India is also the consumer of his own produce: and it is obvious that in so far as this is the case he is unaffected by a rise or fall in the price of what he produces.

45. But now the final trump card is played against me and I am told triumphantly that the raising of the exchange is a method of indirectly raising taxation. Let us examine this point. The amount of taxation that has to be raised year by year depends, as this House well knows and as the previous Assembly knew perhaps even better when it was faced year by year with the need for raising additional revenue, entirely on the amount which the Government spends. It is well known that until the budget for the year 1924-25 the Central Government had been compelled in order to make ends meet to increase taxation continually for a considerable number of years. In 1924-25 we were able to present a Budget offering the alternative of a reduction of the salt tax or a reduction of the Provincial contributions. Why were we in a position to offer such a reduction? Partly because the amount of rupees required from the Indian tax-payer to meet external payments was lower owing to the higher average rate of exchange, and partly also because owing to the exchange policy of the Government the level of prices in India had not risen in such a way as to increase the rupee expenditure of the Government. The House, in a somewhat enigmatic manner no doubt, decided against the reduction of Provincial contributions and in favour of the reduction of the salt tax. If by the fiat of this legislature exchange were now suddenly put back to 1s. 4d. as some people desire, not only would a heinous injustice be done to many innocent people who have entered into contracts at prevailing rates, but at best the Government could not offer the country this year an opportunity of reducing the existing scale of taxation or of reducing the Provincial contributions by as much as they might wish, and at worst the question of increasing the salt tax or the imposition of some other form of additional taxation would again have to be faced. It was partly the higher exchange which enabled us to reduce the salt tax a year ago, and it may be—one day or another, I will not prophesy—that the same cause may assist us in reducing the Provincial contributions. I ask the House then: is it the taxpayer's interests which are in the minds of those who want to reduce the ratio to 1s. 4d. forthwith? The answer, Sir, is in the negative, or perhaps I should say that the question does not arise in their minds: there has been no question of considering the taxpayer's interests.

46. I say therefore that neither the producer nor the consumer nor the taxpayer has anything to gain by legislative intervention to reduce the rate of exchange to 1s. 4d. gold from its present level of 1s. 6d. sterling, which for the moment is practically the same as 1s. 6d. gold. I would admit at once that a sudden fall in exchange from 1s. 6d. to 1s. 4d. would put money into the pockets of individuals in Bombay and elsewhere: it would also no doubt for the moment enable the Bombay cotton mills to charge higher prices for their produce at the expense of the consumer. But it would certainly not benefit the consumer nor the wage-earner nor the producer generally, nor would the benefit to the millowner be more than an ephemeral one. The truth is that rapid changes in the rate of exchange may for the moment help this or that section of the community and that arbitrary intervention by the authorities in order either to raise or to lower the rate always needs very strong justification. But what the country as a whole wants is stability—stability first and foremost in internal prices, and next in importance stability of exchange—and after a certain interval it makes little difference either to the exporter or to the importer, either to the producer or to the consumer, what the precise ratio may be at which exchange may stabilise itself provided that it remains fixed at that

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ratio for a reasonable length of time. On the other hand, it is a considerable disadvantage to the taxpayer in a country which has large payments to make abroad if the rate of exchange is deliberately and artificially depressed. It means that, among other things, the existing taxes and imposts provide a smaller amount of the external currency in which the external payments have to be made. In other words, more taxes have to be imposed or the date of reduction of taxation has to be postponed. Natural causes connected with world movements of exchange and prices have recently tended to raise the exchange value of the rupee; why should the taxpayer be arbitrarily deprived of this advantage which has come to him from natural causes? Is it not far better to let natural causes continue to operate as the Government of India propose and leave the final decision of the ratio to be determined by the Currency Committee in the light of the further experience which a few more months will give us, when, in addition to dealing with the wider questions which must come before them, the Committee can finally fix the ratio at whatever figure may be most truly in the interests, not of this or that section, not of the producer or the consumer, or the taxpayer, considered in isolation, but in the best interests of India as a whole?

Expenditure.

47. I will now deal with the estimated expenditure for the year 1925-26

Military Services.

and begin with the largest item, Military expenditure. We are providing in our Budget for a gross Military expenditure of 60·26 crores, and a net Military expenditure of 56·25 crores. The House will not fail to observe the close approximation between the figures for our net military expenditure in the last three years which have come under review to-day, namely, the actual expenditure for 1923-24, the revised Budget for 1924-25, and the Budget estimate for 1925-26.

48. But in order to bring out the continuous and substantial reduction which has taken place in our expenditure on Military services, I propose to go back for a moment to 1920-21. Our net Military expenditure in 1920-21 was 87·38 crores; in 1921-22 69·80 crores; in 1922-23 65·27 crores; and in 1923-24 56·23 crores, a figure, it will be observed, well below the figure proposed for that year by the Retrenchment Committee. These are the actual ascertained figures. The expenditure in 1920-21 was inflated by heavy outgoings in connection with the special operations in Waziristan and the North-West Frontier, while in 1921-22 similar abnormal conditions continued but on a reduced scale. The Budget estimate for Military expenditure in 1922-23, which formed the basis for the examination conducted by the Retrenchment Committee, amounted to 67·75 crores. After an exhaustive examination of all the various branches of Military administration, that Committee recommended that the net Budget estimate for 1923-24 should be fixed at 57½ crores, subject to such addition as might be necessary on account of delay in carrying out the proposed changes and of any special expenditure that might be necessary over and above the established charges. The Committee recognised that in the near future there would be a considerable falling off in expenditure in consequence of the liquidation of liabilities arising out of the war, such as gratuities to demobilised officers. They expressed the opinion that the adoption of their recommendations would enable the estimates in subse-

quent years to be reduced to about 57 crores, and ultimately, should a further fall in prices take place, to 50 crores. But, as stated by the Committee, the Commander-in-Chief was unable to subscribe to this latter expression of opinion.

49. I have already explained to the House that the actual expenditure in 1923-24 proved to be 56½ crores. To this there must be added 3 crores representing the utilisation of stocks without replenishment. For 1924-25 the revised figures point, as I have explained to the House, to a total expenditure of 56·33 crores; but here again there is additional expenditure in kind due to the using up of stores without replenishment amounting to 1·10 crores. For the purposes of comparison with the current year, therefore, the true expenditure of 1923-24 should be taken at 59½ crores and the true expenditure of 1924-25 at 57·43 crores. Once again in 1925-26 we hope to be able to utilise stores without replenishment to a total of 70 lakhs. The estimate of net cash expenditure for the year is 56·25 crores, making a total of 56·95 crores for expenditure in cash and kind taken together.

50. In compiling the Budget for 1925-26 we have to take the actual figures for 1923-24 and the latest revised figures for 1924-25. These give us a basis of compilation which may be regarded as reasonably normal. The estimates for 1925-26 have been under consideration since July last by a Sub-Committee of the Executive Council appointed for this special purpose by His Excellency the Viceroy. As I foreshadowed in my Budget speech a year ago, specially heavy provision is necessary in 1925-26 for terminal charges on account of gratuities to demobilised officers. The amount required for this purpose is 1·71 crores, nearly a crore more than the Revised estimate in the current year. We are, however, approaching the end of these abnormal terminal charges, and we anticipate that in 1926-27 the final balance required to liquidate our total liability will amount to a few lakhs only.

51. If all abnormal items are excluded, the estimates for the established charges of the Army for 1925-26 amount to 55 crores. These estimates include not only 27 lakhs on account of the item introduced for the first time last year in respect of Customs duty on imported stores, but also an entirely new item for charges for stationery and printing for the Army amounting to 13 lakhs transferred from Civil expenditure in accordance with the recommendations of the Public Accounts Committee. The provision for anticipated additional charges on account of the revision of pay and passage allowances for the officers of the Army in India in 1925-26 amounts to 45 lakhs. A special provision of 43 lakhs is included for buildings for the Royal Air Force and for the continuation of building schemes in Waziristan now approaching completion. The expenditure on the purchase of army stores in India and in England has been reduced by about 1·70 crores. In spite of the large and continuous reductions which, as I have shown, we have been able to effect in Army expenditure since 1920-21, and of the further appreciable reduction shown in the estimates for 1925-26, I am happy to say that, subject always to our being spared the necessity for expenditure on those active military operations which are the nightmare of every Finance Member, I confidently look forward to a further important reduction in 1926-27.

52. Before leaving the Military estimates I wish to draw attention once more to the stores account of the Army. At the time when the Retrenchment Committee sat, the amount of money locked up in Military stores

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was estimated at 20½ crores. This figure has now been reduced by 4 crores to 16½ crores on the 31st March 1925. If our Budget anticipations for 1925-26 are realised, there will be a further reduction by 70 lakhs to approximately 15½ crores on the 31st March 1926. This sum represents mainly working and mobilisation reserves and the actual balance of stores surplus to requirements will not be of any considerable extent.

53. I have already dealt with the provision to be made for 1925-26 for Civil Expenditure. reduction or avoidance of debt and with the reduction of 57 lakhs in Opium expenditure expected to result from restriction of the cultivated area and reduction of the price to be paid to cultivators of opium. The net expenditure on account of interest on debt and other obligations will be less than in 1924-25 by 97 lakhs owing to a large increase in the amount of interest due on Railway investments and on loans to Provincial Governments. A provision of 16 lakhs is being made for new civil works and a somewhat higher scale of expenditure has also been allowed for under the heads of ordinary maintenance and repairs. This head, however, shows a large decrease owing to a reduction in the special expenditure in Waziristan.

54. I feel particular satisfaction in drawing the attention of the House to the fact that we have been able, concurrently with the reduction we have made in Military expenditure, to provide additional sums quite appreciable in aggregate amount for education, research and other beneficial services both in the General Budget and in the Budgets for the areas directly administered by the Central Government. By way of example, I may mention in particular the restoration of 3 lakhs out of the grant of 5 lakhs for the Indian Research Fund which was suspended two years ago on the recommendation of the Retrenchment Committee; the provision of increased grants for the Islamia College in Peshawar and other colleges in the North-West Frontier Province; additional expenditure for the Forest Research Institute at Dehra Dun; increased grants to the Department of Agriculture for erecting a sugarcane breeding station at Coimbatore, and a larger provision for the Agricultural Institute at Pusa.

55. In connection with the prevention of over-budgetting I draw attention to the fact that we have for the first time this year adopted, as an experimental measure, the system of making lump reductions in some of the more important heads of expenditure to allow for probable savings. The total cut thus made in the estimates of Civil expenditure amounts to 15 lakhs. A similar cut of 20 lakhs has been made in the Military estimates. We hope that the system can be so developed as to provide an effective check against the possibility of over-estimating to which the Public Accounts Committee has this year devoted considerable attention. When departmental officers frame their Budgets, they naturally provide for the full sanctioned strength, but small savings invariably occur under individual heads of expenditure due mainly to accidental causes such as a temporary shortage of staff, smaller expenditure on leave salaries and the like. It is impossible to foresee and allow for such savings individually, but in the aggregate they may be considerable. It may be that the particular cuts we have made will not be justified by results, but I have no doubt that on the whole the total reduction will be fully realised. This course is not altogether conve-

cient in that it restricts, and possibly unduly restricts, the opportunity for reappropriation which is frequently necessary in order to meet small casual excesses, and it may have the further inconvenience of forcing us to come before this House for supplementary grants. But the Finance Department will certainly do its best to secure that such supplementary grants shall not be necessary if it can possibly help it, and when they are really necessary, I feel sure that the House will recognise the fact. I believe the principle is a sound one in itself; it has recently been adopted on the recommendation of the Public Accounts Committee in England in respect of the British Army Estimates, and I confidently hope that it will in the end lead to more accurate budgetting.

56. Our total expenditure including the charge for interest on Railway

Should expenditure be capital for 1925-26 is estimated at 130.44 crores. shown gross or net?

Excluding Railways altogether, it amounts to 101.78 crores. The question whether we should show our expenditure gross or net is an important one in which the Public Accounts Committee this year took considerable interest though in the end for lack of time they had to leave the solution of the problem to their successors. I refer those who are interested to Appendix X to Volume I of the Report of the Public Accounts Committee, dated the 6th September 1924. Briefly the position is as follows. Prior to the year 1907 all receipts and charges were shown gross in the accounts, but in 1907 after discussion with the Secretary of State which had been proceeding for a number of years, the system was introduced of showing gross working expenses as a deduct entry in the case of Railways and taking net receipts only into the Budget. This method was extended later to the Irrigation and the Posts and Telegraphs Departments, and the question has now arisen whether we should extend it to all our Commercial Departments or should revert in all cases to the earlier system of showing expenditure gross.

57. I do not wish at the moment to do more than draw attention to a subject on which much may be said on both sides. The subject is particularly important in connection with the control of the Assembly over the expenditure of the Executive. Under the developed theory of Votes in Supply and of Appropriation, the British Parliament is entitled, and indeed required, to vote all expenditure of every kind (except of course such expenditure as is included in the Consolidated Fund charges and is not voted annually). If Parliament does not vote expenditure gross its control over the expenditure of the Government is weakened, in so far as the latter has receipts which it can use for meeting expenditure and can come to Parliament for authority merely for that part of its expenditure which cannot be met from such receipts. For the purpose therefore of the voting of Demands for Grants, it is desirable that this Assembly should deal with gross expenditure, but when the gross amount of expenditure required is fully explained in the Demands for Grants, there is considerable advantage in dealing mainly with net expenditure in the Budget estimates. The inclusion of the gross working expenses of the Railways, for example, obscures the true facts regarding the real expenditure of the State, and now that the Railway Budget has been separated from the General Budget, there is good reason for excluding all Railway items. The practice of showing our Opium revenue gross has given an exaggerated notion of our dependence on this source of income. If a clear picture is to be given of the true financial position of the country, the receipts from sources other than taxes which are available to meet particular expenditure can with

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advantage be treated in the Budget statement as a deduct entry. In statement D of the Budget Honourable Members will find the figures of net expenditure and in the Secretary's Explanatory Memorandum a statement of the amount of gross expenditure divided into voted and non-voted respectively, and I trust they will find these of interest.

Revenue.

58. I now turn to the estimates of our revenue. In 1924-25, if we ignore the non-recurring refund of 2.80 crores, our net Customs revenue is now estimated at 47.56 crores. We cannot count on a repetition in 1925-26 of the unusually high receipts from cotton piece-goods, sugar and cotton excise duty, as well as from protective duties. I accordingly place the estimate for 1925-26 at 46.35 crores, or 1.21 crores less than in the current year.

59. In this figure I have made allowance for the effect of the adoption of some minor proposals for reduction in our Customs tariff. These are in the main on the same lines as the proposals which were made in the Finance Bill as originally introduced a year ago, but fell out when the Finance Bill was revised. They include the abolition of the import duty of 2½ per cent. on grain and pulse, the reduction from 15 per cent. to 2½ per cent. *ad valorem* of the duty on reeds, healds, and various other articles, chiefly used in power looms, and finally the modification of the duties at present imposed on petrol in such a way as to fix the duty to be paid by all petrol alike whether imported or home produced at 4 as. a gallon in place of the existing duties of 6 as. a gallon for home produced petrol and 8½ as. a gallon for imported petrol. These proposals are recommended by the Government in the interests of trade, and the House will have an opportunity of considering them in detail when the Finance Bill is taken into consideration. Their effect on our revenues is inconsiderable. I may mention here that we do not propose to invoke the assistance of the Provisional Collection of Taxes Act either in order to bring these proposals into effect before the Finance Bill becomes law or for any other purpose in connection with the Finance Bill this year.

60. On the whole the year 1924-25 has been better for trade than the previous year, though the cotton mill industry has continued somewhat stagnant. But as I have already observed, our original estimate of revenue from Taxes on Income for 1924-25 proved unduly sanguine. For 1925-26, I put the total at 17.35 crores, which is 88 lakhs higher than the Revised estimate for the current year, but still 87 lakhs below the original Budget estimate of that year, and I trust, considerably below the figure which our receipts from Taxes on Income will reach in a year following a period of really good trade.

61. In my Budget speech last year I spoke of a prospective reduction of 2.16 crores in 1925-26 under the head of Salt as compared with the figure of 1924-25. We are justified in assuming that the yield of the salt duty will be a normal one in the coming year, and I now put the revenue at 6.95 crores. This is less by 79 lakhs than the revised figure for 1924-25 which was swollen by collections at the higher rate of duty in force in 1923-24 under the system of credit sales. The fact that the reduction amounts to 79 lakhs only is due to

the circumstance, which I have already explained, that 1·31 crores of Salt revenue originally expected to accrue in 1924-25 were thrown back into 1923-24.

62. I have already dealt with our estimates of Opium revenue which

Opium.

amounts to 3·56 crores gross and 1·76 crores net. Our receipts include a non-recurring amount of about 20 lakhs under excise opium resulting from a change in procedure under which Local Governments will take over from us on payment the stocks of excise opium held in treasuries on the 1st April 1925 and will in future make payment to us on receipt instead of as at present only at the time of sale to the public.

63. The fixed contribution from Railways to general revenues will,

Railways.

as in the present year, be based on the figures of 1923-24 and amounts to 5·09 crores. In addition, as the House is already aware, we expect to receive some 15 lakhs representing one-third of the excess over 3 crores expected to be transferred to the Railway Reserve. Our total receipts from Railways for 1925-26 are therefore put at 5·24 crores as compared with 5·64 crores in 1924-25.

64. I have explained the estimates of the Posts and Telegraphs De-

Posts and Telegraphs.

partment for 1925-26, but there is one important consequence of the change in our accounting procedure in connection with the treatment of postal and telegraphic stores which I must mention here. Hitherto such stores have been paid for from Revenue at the time of original purchase and credited to a Suspense account within our Revenue account which is cleared when the stores are actually issued either for revenue or capital purposes, a corresponding credit being taken to Revenue. This has been found very inconvenient in practice and our Revenue accounts have been affected by considerable fluctuations in the amount of these stores balances. In some years when stores were purchased for special reasons in larger quantities than usual, our expenditure has been inflated. In the last few years when purchases have been restricted and we have lived on accumulated stocks, the large credit to Revenue was taken as a reduction in our expenditure. This made comparisons over a series of years difficult. We have now decided on the advice of the Auditor General to keep these transactions outside the Revenue account. The immediate effect of this procedure will, however, be that there will be a large credit to Revenue in the course of 1925-26, in respect of the value of stocks held on Revenue account on the 31st March 1925, which is estimated to be 1·24 crores. New stores purchased during the year will, however, no longer be debited to Revenue. The actual addition to Revenue caused by this change of procedure in 1925-26 amounts to about 69 lakhs which represents the estimated value of the net new purchases as we anticipate that the amount of stores in stock and in workshops will be reduced to that figure by the 31st March 1926. But it is clear that in the first year in which the change is made the result must be a non-recurrent receipt of 1·24 crores which will not re-appear in the following years.

65. Under other-heads of Revenue I have allowed for a reduction in

Other Revenue heads.

Interest receipts owing to smaller balances being available for temporary investment, but the Currency receipts are expected to exceed those of 1924-25 by 25 lakhs chiefly

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because of the larger discount on Treasury Bills issued to the Paper Currency Reserve during the current year.

66. Our estimates of revenue assume a continuance of the practice of appropriating to revenue the interest on the Paper Currency Reserve and the surplus of the Gold Standard Reserve over £40 millions. This practice has now been adopted for several years in succession, and I should not have thought it necessary to dwell on it if its correctness had not recently been challenged in this House. Both the Paper Currency Reserve and the Gold Standard Reserve, though they are kept distinct and have different titles, are in essence Currency Reserves. The profits on the issue of currency are in most countries treated as an ordinary and legitimate source of income, as for example, in the United Kingdom. But the House will remember that the Babington Smith Committee recommended that so long as *ad hoc* securities in the Paper Currency Reserve remained outstanding, these particular receipts should not be treated as revenue, but should be applied to writing down the *ad hoc* securities. The purpose which the Committee had in mind in making this recommendation was to bring about a steady contraction in the then inflated amount of our paper currency and to earmark a specific source from which such contraction could be paid for. Conditions have now entirely changed and there is no reason to take special steps to contract our currency. Indeed, the same honourable members who have challenged the practice of crediting these receipts to Revenue have been the loudest in their objections to any further contraction of the currency. If these receipts are not treated as revenue and are not applied for the purpose of contracting the currency, the only alternative is to treat them as Capital receipts, and this is indeed the effect of the proposal made by one of my critics that they should be applied to the purchase of Government of India rupee securities in order to replace the *ad hoc* securities. So long as the Government of India has a large capital programme of new expenditure, it would obviously be necessary for it to re-borrow in a new form the amount of money spent on purchasing blocks of securities representing its existing debt for the Paper Currency Reserve. The procedure proposed amounts simply to the substitution of securities purchased in the market for *ad hoc* securities, and as I explained at some length on a previous occasion, there is in essence no difference between the two forms when held as cover for paper currency. Both are in fact nothing more than I. O. U's. of the Government of India held as cover for I. O. U's. payable on demand. The net effect therefore of adopting this suggestion would simply be to increase the amount of our provision out of Revenue for reduction or avoidance of debt and I observe with interest that the gentleman, who made the proposal, has followed it up by complaining that our provision for reduction or avoidance of debt is already too high.

Surplus.

67. We are now in a position to strike a balance. The total estimated revenue for 1925-26 amounts to 188.65 crores as against an estimated expenditure of 180.44 crores, disclosing a surplus of 8.24 crores. But before considering the nature of this surplus and the use to be made of it I must turn to the subject of Ways and Means.

Ways and Means.

68. The following statement summarises the Ways and Means position in India and England taken together during 1924-25 and 1925-26:—

	[In crores.]	
	Revised, 1924-25.	Budget, 1925-26.
Railway capital outlay	12.9	23.0
Delhi and Posts and Telegraphs capital outlay	3.0	3.7
Discharge of funded debt, debentures, etc.	4.5	11.0
Discharge of Treasury Bills with the public	2.1	...
Loans to, and drawing by, Provincial Governments	12.0	14.0
Miscellaneous outgoings	7.7	...
	<hr/> 42.2	<hr/> 51.7
Revenue surplus	4.0	0.7
Rupee loan	13.2	12.0
Cash Certificates	4.6	4.2
Savings Bank deposits and other unfunded debt	5.1	5.6
Appropriation for reduction or avoidance of debt (including sinking fund payments)	3.8	5.0
Railway Reserve Fund and Railway and Posts and Telegraphs depreciation funds	6.2	4.9
Miscellaneous receipts . . . . .	...	1.4
Reduction of cash balance	5.3	17.9
	<hr/> 42.2	<hr/> 51.7

69. In 1924-25 our total liabilities are considerably less than the Budget estimate. The reduction is mainly due to the failure of the Railways to spend the sum provided for capital outlay. The continue issue of Cash Certificates on the improved terms introduced in April 1923 is estimated to give the satisfactory net receipt of 4.60 crores instead of 1.50 crores as estimated, and our revenue surplus for 1924-25 is better by 3.82 crores. The sum raised by our rupee loan was nearly 7 crores less than the figure assumed in the Budget. It was estimated a year ago that we should close the year 1924-25 with a balance of 18.68 crores. We now anticipate that the balance will be 36.19 crores. Though our balance is larger than we originally anticipated, it nonetheless shows a reduction of about 5.3 crores as compared with our opening balance.

70. For 1925-26 Railway capital outlay is estimated, as the House is aware, at 23 crores. We have also to provide during the year for the maturity of about 3½ crores of 1925 War Bonds. Loans to Provincial Governments mainly for capital development purposes are put at about 14 crores, and about 1½ crores are required for the new Imperial Capital at Delhi. I may mention that the gross outlay to the end of 1924-25 on new Delhi is estimated to amount to 11.26 crores, and the net outlay to 10.94 crores. The first step towards the occupation of the Secretariat was taken in the autumn of 1924 when the Accountant General, Central Revenues, and the Taxation Inquiry Committee were given office accommodation there. The work is now well within sight of completion, and after a year or two this special form of capital expenditure will disappear from our Budget.

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71. Our position at the end of 1924-25 in regard to balances will be a strong one both in India and in London. In India

Rupee Loan.

I anticipate that the maximum amount of new money that we shall require to raise by a rupee loan in the open market will be 12 crores, a figure which is well within the amount of the annual savings of India available for investment in Government securities. But as I recently explained to the House, the question of beginning operations for the conversion of early maturing bonds is one which is engaging the close attention of the Government of India. I am not in a position to make any statement on the subject at present, but it is not improbable that when we approach the market for our new rupee loan we shall also put before the public a conversion offer.

72. The last external loan which we issued was in May 1923 when £20

External borrowing.

millions sterling of India 4½ per cent. Stock was offered to the public at 90. We were fortunate in our choice of date for this issue, as generally speaking the prices of gilt-edged securities on the London market stood at a higher level at that period than they have done at any time since. In 1924-25 we were able to avoid new external borrowing altogether, and I am glad to be able to say that we have every expectation of repeating this happy abstention again in 1925-26. This will be a particularly satisfactory achievement in that we have to provide in the summer of 1925 for paying off about £2¼ million of Great Indian Peninsula Railway guaranteed stock when that Railway is taken over by the State. Apart therefore from the ordinary sinking funds which are operating to repay the sterling debt, we shall thus be converting this amount of India's capital obligations abroad into an internal liability. The nominal total of our external debt will, however, be increased in 1925-26 in consequence of the taking over of the debenture stock of the Great Indian Peninsula Railway to the amount of £3¼ million, just as it was increased in 1924-25 by taking over the debenture stock of the East Indian Railway, increases which, as I have already pointed out, do not represent additions to India's external liabilities but simply a change in the form of an existing debt.

73. There has been a strong and continuous demand for rupee ex-

Remittances.

change throughout the year, and we anticipate that our total remittances during 1924-25 will amount to £42 millions. We have already remitted about £40 millions, of which about £33 millions have been obtained by the purchase of sterling in India. It has been necessary, in view of the general cash position in India, to transfer the equivalent of £6 millions from the Paper Currency Reserve in India to our treasury balances against a corresponding transfer in London, and for the purposes of the Ways and Means statement we are assuming that the total of such transfers during 1924-25 will amount to £6 millions. For 1925-26 we have taken a figure of £31½ millions for remittances from India.

FINAL PROPOSALS.

74. I remarked in my Budget speech a year ago—and subsequent events fully justified me—that although a Finance Member always desires above all a Budget surplus, he frequently finds it the cause of more embarrassment to him than any other part of his Budget. Once again in 1925-26 we have a surplus to dispose of amounting, as I have already said, to 8.24 crores. The first necessity is to examine the nature of this surplus

carefully and see how far it can be regarded as a true recurrent surplus. Thanks to the separation of Railway Finances from General Finances, we are no longer in doubt regarding the permanence of that part of our revenue which represents the contribution from the Railways to the general taxpayer. We have made a satisfactory provision out of revenue for a regular programme of reduction or avoidance of debt, and though there is, as always, much new expenditure which might be regarded as desirable or even urgently necessary out of Central revenues, we have at any rate been able to provide this year for some of the most valuable of the beneficial items of expenditure which had to be dropped during the period of special stress. On the other hand, if it is urged, as it well might be, that an unfavourable monsoon cannot be regarded as an improbable event in this year or next, I can reply that the separation of Railway Finance reduces the influence of the monsoon on our General Budget figures, that our estimates are not dependent for their realisation on the monsoon's proving an exceptionally good one, and that, if we take a reasonably wide view of the general prospects, we are entitled to hold that India is not altogether without a reservoir of financial power stored against a rainless day.

75. But there are three items on the receipt side of our account which are definitely of a non-recurrent character. I refer to the 1·24 crores credit to Revenue from the issues of postal and telegraphic stores, the final credit of 13 lakhs from enemy ships and about 20 lakhs non-recurrent Opium revenue to all of which I drew attention earlier in the evening. In our Military Budget also we have to make allowance for the fact that the process of eating down our stores is still continuing during 1925-26, and that approximately 70 lakhs of such stores are expected to be consumed during the year without replacement. To the extent of 2·27 crores therefore the surplus as shown above is swollen by receipts of a non-recurrent character. But, on the other hand, we have in our Military Budget 1·71 crores of expenditure in connection with the disbandment of surplus officers, which represents a non-recurrent item of expenditure, and to this extent our normal surplus is made to appear less than it otherwise would be. Taking all these items together, we are justified in concluding that in any case 2·68 crores of the surplus represents a true recurring surplus. I shall no doubt be reminded that the position in regard to exchange introduces a further doubt. The House must, however, remember that now that the Railway Budget is separated from General Finances, exchange transactions in regard to Railways do not affect our General Budget to any appreciable degree. To that extent exchange fluctuations are of less moment to our finances than previously. Moreover, we do not overlook the possibility—I hope the probability—of a continued reduction in our Military expenditure, and we are justified also in looking forward hopefully to a considerable improvement as time goes on in our receipts from Taxes on Income. The Government of India have therefore come to the conclusion that they are justified in making proposals for giving up 2½ crores out of the surplus in favour of whatever claimant or claimants may be held to be deserving.

76. Are there any such claimants, and who are they? It is too late, I fear, for me as Finance Member to put in a claim on behalf of the taxpayer of the future and ask that the sum should be devoted to the reduction of debt. But there are many members I know who would like to see the charges for letters and postcards reduced. I sympathise entirely with

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the importance which is attached to the cheapening of communications of all kinds, but are we in a position this year to do anything in regard to postal rates? The dictum that taxation of communication is bad taxation applies to the Posts and Telegraphs Department quite as much as to Railways. The Department undertakes some tasks which in many countries are undertaken by private enterprise paying taxes and royalties to the State in return for the concessions granted. There may therefore be some justification for claiming a small contribution to general revenues from the Posts and Telegraphs Department, but it should in no circumstances be more than a small one. The converse, however, is also true. I see no justification for making the general taxpayer pay heavily for the cost of facilitating private correspondence. The Posts and Telegraphs Department is emphatically a business concern which should pay its way. If once we depart from this principle, there is no end to the possible burden which might be imposed on the taxpayer and the task of keeping working expenses down and securing economical and efficient management is made immensely more difficult. The figures which I have given to the House show that both in the current year and in the next the revenue of the Department does not quite balance the expenditure under the system of commercial accounting. It may be that better trade and further improvement in the direction of economical and efficient management within the Department may enable us to take a different view a year or two hence, but it is clearly impossible to-day to contemplate any reduction in postal charges.

77. Moreover any such reduction could only be made at the expense of our general revenue surplus, that is, at the expense of the other claimants, and whatever else may be said, it is clearly unjust that the Posts and Telegraphs Department should be subsidised at the expense not of the general taxpayer but of the taxpayers of particular Provinces. And this is what is involved in 1925-26, if we devote any part of our surplus to a reduction of postal charges, since such action would limit our capacity to reduce the Provincial contributions.

78. This brings me to the one claimant whose claim by common consent must come first. There is really no room for uncertainty in regard to the position. The Government of India have repeatedly said that their financial policy has been, is being, and will be, directed to the reduction and eventual extinction of the Provincial contribution at the earliest possible date. So long as any of the Provincial contributions are outstanding, we cannot devote our surplus to reduction of postal charges (unless this can be done out of the surplus of the Posts and Telegraphs Department's Budget itself) or to the reduction of Central taxation, without failing to live up to this promise which has been given to the Provinces without qualification. The Provinces were disappointed a year ago. We cannot disappoint them again.

79. At this point I must refer to an item of 63 lakhs representing the contribution from the Government of Bengal which automatically falls due to be paid from 1925-26 onwards, unless the three years' moratorium previously granted is now extended. I have not included this item in the figure of 3.24 crores given as the amount of the surplus. My reason for omitting this is that it could hardly be regarded as part of our normal revenue in 1925-26 by any one who is familiar with its previous history. If the Government of India were still in the position in which they were in 1921 of being unable

to balance their Budget without extra taxation, or even if their Budget just balanced but left no surplus over for the reduction of the contributions of other Provinces, the claim of Bengal to an extension of the period of remission of its contribution might not perhaps have been a very strong one. But in view of Bengal's special claim for consideration emphasised by the Joint Select Committee of Parliament, and in view of the fact that we are now in a position to begin the reduction of the contributions of other Provinces, the Government of India after a careful and detailed study of the case have come to the conclusion that Bengal must be given some further respite before being brought into line again with the other Provinces.

80. The Government of India therefore propose that 74 lakhs out of the surplus of 3.24 crores should be kept in hand as a margin against possible disappointments or misadventures during 1925-26, and by way of security against any deterioration in the position of Central finances in 1926-27; that the remainder of the surplus, namely, 2½ crores, should be devoted to the reduction of Provincial contributions and should be applied in accordance with the order of priority between the Provinces definitely established under the Devolution Rules; and that in addition the contribution of 63 lakhs due from Bengal should be remitted for a further period of three years. The provinces entitled to a share in the 2½ crores in accordance with the Devolution Rules are—

Madras, whose contribution of 348 lakhs will be reduced by 126 lakhs,

United Provinces, whose contribution of 240 lakhs will be reduced by 56 lakhs,

Punjab, whose contribution of 175 lakhs will be reduced by 61 lakhs, and

Burma, whose contribution of 64 lakhs will be reduced by 7 lakhs.

(An Honourable Member "What about Bombay").

81. It is desirable that I should mention a minor point arising in connection with the proposed reduction of the Provincial contributions. When a year ago we passed the Act abolishing the proviso to Section 20 of the Sea Customs Act and Government stores ceased to be imported free of duty, we entered into a temporary arrangement, partly because we were pressed for time, under which in 1924-25 we are repaying to the Provincial Governments the duty on Government stores imported by them. This arrangement is admittedly unsatisfactory. Considerable administrative inconvenience is involved in this system, and it is open to the grave objection that it defeats an essential purpose of Indian policy which was one of the main justifications for the passing of the recent Act, in that, whatever procedure is adopted, it still pays a Provincial Government to buy stores in England and get the duty refunded by the Central Government rather than to buy them in India at the import price *plus* duty. This is unavoidable so long as any refund of duty is permitted. The Government of India are not bound by any promise to continue such refunds, and they propose simultaneously with the reduction or remission of the contributions in the case of the five Provinces concerned to discontinue the refund of duty in their case as from the 1st April 1925. The amount involved is trifling, and does not amount to more than about 20 lakhs for all the nine Provinces together. The only Province where the arrangement is of real importance is Bombay to whom about two-thirds of the 20 lakhs falls to be paid. It might be thought inequitable in present circumstances to refuse to continue

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the refund of duty in the case of Bombay, but the Government of India propose to take the question up with the Bombay Government as well as with the other Governments to whom refunds will still be payable, with a view to arriving at some solution which will obviate the objections to the existing arrangement.

82. In order to give the House a convenient opportunity of considering the important subject of the reduction of the Provincial contributions, the Government of India propose to bring forward a Resolution inviting the concurrence of the Assembly in the proposals set out in paragraph 80 above. This Resolution will be taken directly after the Finance Bill has been considered and passed.

CONCLUSION.

83. Those whose memory carries them back to the Budgets introduced in the first Assembly in March 1921 and March 1922, and those who have as vivid a recollection as I have of the Budget discussions of March 1923, cannot fail to be impressed by the contrast between then and now. The members of the first Assembly co-operated unhesitatingly with the Government in the unpopular task of making heavy additions to our taxation in 1921 and 1922. Two years ago when the Budget for 1923-24 was introduced, not only had we to contemplate the picture of five successive years of deficits aggregating nearly 100 crores, but we had still to face a serious gap on the revenue side of the account between our revenue and our expenditure in the year then ahead of us. In spite of drastic retrenchment involving the sacrifice of many useful and desirable objects of expenditure; in spite of the postponement of many items ultimately unavoidable with the certainty that the necessity of meeting them would add to the difficulties of succeeding years; and in spite of the heavy increases in taxation in 1921-22 and 1922-23—we found ourselves once again compelled to ask for the imposition of a further burden. Last year in presenting the Revised estimates for 1923-24 I was able to assure the House that our sacrifices had not been without reward, but it was still not possible to say with certainty that the year would end with an actual surplus of ordinary revenue over ordinary expenditure. Meanwhile in all the nine Provinces financial difficulties were beclouding the bright hopes of those who had been responsible for the initiation of the Reforms. The Provincial Governments and particularly the Ministers on whose shoulders the Reforms have placed the duty of fostering the spread of education and sanitation among the masses of the Indian people and of assisting the agricultural and industrial development of the country found themselves without the financial resources required even to maintain those beneficial services at the level at which they found them.

84. To-day we are in a happier position and we can look back with quiet satisfaction on realised surpluses of substantial amounts both in 1923-24 and in 1924-25, the latter secured in spite of the reduction of the salt tax to the figure at which it stood before the increase made the year before. Better still, for the year now ahead of us we have not merely the prospect of securing a realised surplus once again, but we are also taking a real and substantial step forward towards the eventual extinction of the Provincial contributions, and are thereby giving new hope to those who are working the Reformed Constitution of India in the Provinces and fresh encouragement to devote their energies to the task of building up a new India without the exasperating restrictions imposed by financial penury. For this result we must pay

the tribute of thanks which is so justly due to those who went before us. We are now able to appreciate in better perspective the value of the achievements of those who carried the burden in the dark and difficult years immediately succeeding the War. We are reaping to-day some of the fruits of the labours of the first Assembly, of Sir Malcolm Hailey, my predecessor in the office of Finance Member, and of the members of the Retrenchment Committee. I am sure that all of them will feel, on seeing our position to-day, that if the realisation of their hopes has been long deferred, their labours have not been in vain.

85. But if by contrast with the past our position now seems a brighter one, we cannot be blind to the vastness of the work still to be done. Apart from the Bengal contribution, there are still 6½ crores of Provincial contributions between us and the day when the Central Government's Budget can be balanced without assistance from Provincial sources, and the task of reducing the level of Central taxation actively begun. In all countries of the world the war and its aftermath have raised the level of taxation high. Few countries have escaped as lightly as India, but the level of taxation here is nevertheless much above the pre-war figure. Our disposable surplus in 1925-26 takes us only a step towards our immediate goal. The steep hill which we have painfully climbed has but brought us within distant view of the higher peaks towards which we aspire. We have grounds to-day for sober satisfaction: we have none for premature elation or for any slackening in our endeavour. I can offer India no better motto to-day than my own old family device: *nous travaillerons en esperance*, "we will work in hope".

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1914-15 to 1923-24.

(See paragraph 57 of speech.)

[In thousands of Rupees.]

	REVISED ESTIMATE.			ACTUALS.		
	Revenue.	Expenditure.	Surplus (+) Deficit (-).	Revenue.	Expenditure.	Surplus (+) Deficit (-).
1914-15 . .	74,89,38	79,07,25	-4,17,87	76,15,35	78,83,14	-2,67,79
1915-16 . .	78,89,08	81,58,21	-2,69,13	80,00,96	81,79,26	-1,78,30
1916-17 . .	97,25,67	88,27,37	+8,98,30	98,53,10	87,81,37	+11,21,73
1917-18 . .	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19 . .	1,27,94,65	1,34,79,88	-6,85,23	1,30,40,66	1,36,18,72	-5,73,06
1919-20 . .	1,44,07,56	1,59,18,67	-15,11,11	1,37,13,98	1,60,79,27	-23,65,29
1920-21 . .	1,35,10,35	1,48,03,61	-12,93,26	1,35,63,32	1,61,64,17	-26,00,85
1921-22 . .	1,13,15,32	1,41,94,52	-28,79,20	1,15,21,50	1,42,86,52	-27,65,02
1922-23 . .	1,20,70,17	1,37,95,52	-17,25,35	1,21,41,29	1,36,48,05	-15,01,76
1923-24 . .	1,31,96,04	1,29,89,97	+2,06,07	1,33,16,63	1,30,77,68	+2,38,95

Mr. Harchandrai Vishindas (Sind : Non-Muhammadian) : May I ask the Finance Member whether when he suggested in reply to Sir Purshotamdas's Resolution that there might be a deficit that was a mere hoax?

The Honourable Sir Basil Blackett : The answer is in the affirmative.

THE INDIAN FINANCE BILL.

The Honourable Sir Basil Blackett (Finance Member) : Sir, with these few remarks (Laughter) I beg leave to introduce the Indian Finance Bill.

Mr. President : The question is :

"That leave be given to introduce a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax."

The motion was adopted.

The Honourable Sir Basil Blackett : Sir, I introduce the Bill.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 3rd of March, 1925.

LEGISLATIVE ASSEMBLY.

Tuesday, 3rd March, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock,
Mr. President in the Chair.

MEMBER SWORN:

Mr. Panambur Raghavendra Rau, M. L. A. (Finance Department:
Nominated Official.)

QUESTIONS AND ANSWERS.

PAYMENT OF OVERTIME ALLOWANCES TO THE STAFF OF THE CALCUTTA RAILWAY MAIL SORTING OFFICE FOR WORKING EXTRA HOURS.

1053. ***Mr. Amar Nath Dutt:** (a) Is it a fact that Mr. C. D. Rae, Presidency Postmaster, Calcutta, ordered the staff of the Calcutta R. M. S. Parcel Sorting Office to work for 9 hours without any overtime allowance? If so, why?

(b) Will the Government pay overtime allowance to the staff for the additional labour? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (a) The reply to the first part of the question is in the affirmative. On a few occasions between December 1923 and October 1924, the Presidency Postmaster, Calcutta, had to call upon sorters in the Parcel Sorting Office to work for extra hours to clear off accumulations of parcels.

(b) The answer is in the negative. Government do not admit that overtime allowances should be allowed in such circumstances, and in this case the arrears were due mainly to short outturn by the men.

ACCUMULATION OF PARCELS IN THE CALCUTTA RAILWAY MAIL SERVICE SORTING OFFICE.

1054. ***Mr. Amar Nath Dutt:** (a) Are the Government aware that there was heavy accumulation of work in the Calcutta R. M. S. Parcel Sorting Department resulting in unusual delay in delivery of parcels to the public?

(b) Has the attention of the Government been drawn to the article published in the *Englishman* dated the 4th October 1924, re accumulation of parcels in the Calcutta R. M. S. Parcel Sorting Department?

(c) Has the attention of the Government been drawn to the fact that the Superintendent, Calcutta Sorting, in the course of his interview with the representative of the *Englishman* admitted that the heavy accumulation was due to the inadequacy of staff?

(d) If so, have the Government sanctioned additional staff?

The Honourable Sir Bhupendra Nath Mitra: (a) There have been occasional accumulations recently.

(b) Yes.

(c) The Superintendent was not correctly reported. He intended to make it clear that the accumulation was due more to heavy absenteeism among the staff than to any other cause.

(d) No.

DEPUTATION OF CLERKS OF THE GENERAL POST OFFICE, CALCUTTA, TO
WORK IN THE PARCEL SORTING OFFICE.

1055. ***Mr. Amar Nath Dutt:** Is it a fact that Mr. C. D. Rae issued a general order compelling the staff of the G. P. O., Calcutta, to work in the Parcel Sorting Office in contravention of well defined Post Office Manual rules? If so, why?

The Honourable Sir Bhupendra Nath Mitra: No. Only on one occasion when there was an accumulation of parcels in the Parcel Sorting Office owing to absence of a large number of sorters, some General Post Office clerks were deputed to work there as a temporary arrangement. They were withdrawn as soon as the accumulation was cleared. No rules in the Post Office Manual were contravened.

DEPUTATION OF MR. C. D. RAE, PRESIDENCY POSTMASTER, CALCUTTA, AND
LIEUTENANT-COLONEL S. C. SINCLAIR, SUPERINTENDENT, POST OFFICES,
SOUTH CALCUTTA DIVISION, TO STUDY SORTING ARRANGEMENTS IN
BOMBAY.

1056 ***Mr. Amar Nath Dutt:** Is it a fact that Mr. C. D. Rae, Presidency Postmaster, Calcutta G. P. O., and Lt.-Col. S. C. Sinclair, Superintendent of Post Offices, South Calcutta Division, were sent to Bombay in November last at Government expense? If so, were these officers deputed specially to look into the system of sorting work in Bombay with a view to its introduction in Calcutta Sorting Office? If the reply be in the affirmative, why was not the Superintendent, Calcutta R. M. S., deputed for the purpose? If the reply be in the negative, what was the purpose of the deputation?

The Honourable Sir Bhupendra Nath Mitra: The reply to the first part of the question is in the affirmative.

With respect to the second part, these officers were deputed to Bombay to see whether any of the arrangements in the sorting office there could be usefully applied to the case of the Calcutta Sorting Office.

With respect to the third part, it was contemplated to appoint Lieutenant-Colonel Sinclair as Superintendent, Calcutta Railway Mail Service.

The fourth part of the question does not arise.

PROMOTION OF BABU LALIT LAL CHATTERJEE OF THE CALCUTTA
GENERAL POST OFFICE TO A SELECTION GRADE.

1057. ***Mr. Amar Nath Dutt:** (a) Is it a fact that Babu Lalit Lal Chatterjee, an official of the Calcutta General Post Office, was permitted to officiate in the selection grades Rs. 145—170 and Rs. 175—225 and subsequently was confirmed in the selection grade of Rs. 145—170 but was reverted to the time-scale on reinstatement in appeal of Babu Hari Charan Mukherjee, Postmaster, Hatkhola?

(b) Will the Government please state the reasons why Babu Lalit Lal Chatterjee has not been considered eligible for appointment in the selection grade although several vacancies have since occurred and been filled up by officials junior to him?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes. Babu Lalit Lal Chatterjee was promoted to a selection grade on a year's probation, but had to be reverted within the period of his probation.

(b) He was deemed unfit for permanent promotion to a selection grade.

REDUCTION OF THE WORKING HOURS OF POSTAL OFFICIALS IN THE
SILIGURI SUB-OFFICE.

1058. ***Mr. Amar Nath Dutt:** (a) Are the Government aware that the Superintendent of Post Offices, Jalpaiguri Division, has directed the staff of the Siliguri Sub-Office to be in attendance at the office for hours ranging between 10 and 12½ hours every day?

(b) Will the Government please state the period of attendance fixed for the postal officials?

(c) If the period fixed for the postal officials of Siliguri by the Superintendent be in excess of the prescribed standard are the Government prepared to direct the Superintendent to reduce the working hours in conformity with the standard?

The Honourable Sir Bhupendra Nath Mitra: (a) The Superintendent ordered the staff to work for nine hours a day as a temporary measure.

(b) Not less than eight hours a day.

(c) Steps have been taken to reduce the hours.

GRANT OF A LOCAL ALLOWANCE TO THE SUB-POSTMASTER, KOLASIB, IN
THE LUSHAI HILLS.

1059. ***Mr. Amar Nath Dutt:** (a) Is it a fact that a local allowance has been sanctioned by the Government of India for the Postal and R. M. S. workers in the Lushai Hills?

(b) If so, will the Government please explain why the Sub-Postmaster, Kolasib, in the Lushai Hills has been deprived of the concession?

(c) Do the Government propose to sanction payment of the local allowance to the said Sub-Postmaster?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes, so far as the clerical staff are concerned.

(b) and (c). The whole scheme of local allowances for postal officials in Assam has been under examination and final orders in the case of the Sub-Postmaster, Kolasib, will be issued as soon as possible.

ELIGIBILITY OF CLERKS EMPLOYED IN THE DEAD LETTER OFFICE,
CALCUTTA, FOR PROMOTION TO THE SELECTION GRADES.

1060. ***Mr. Amar Nath Dutt:** (a) Will the Government please state as to whether the clerks employed in the Dead Letter Office, Calcutta, are eligible for appointments in the selection grades in that office? If so, why has the appointment of Assistant Manager on Rs. 250—350 been filled up by an official from the office of Postmaster General, Bengal and Assam?

(b) Will the Government please state whether the selection grade appointments in the office of the Postmaster General, Bengal and Assam, are also filled by the clerks of the Calcutta Dead Letter Office?

The Honourable Sir Bhupendra Nath Mitra: (a)* Yes. When the post of Assistant Manager on Rs. 250—350 was filled, there was no appointment in the next lower grade, namely, Rs. 175—225, sanctioned for the Dead Letter Office and the senior fit official in the latter grade in the Postmaster General's office had to be selected.

(b) No.

RETIREMENT OF BABU JOGENDRA NATH BISWAS, A CLERK IN THE DEAD LETTER OFFICE, CALCUTTA.

1061. ***Mr. Amar Nath Dutt:** Are the Government aware that continuous extension of service has been granted to Babu Jogendra Nath Biswas, clerk, Dead Letter Office, Calcutta, with the result that the flow of promotion of the clerks in the time-scale to the very scanty selection grade appointments has been blocked? If so, are the Government prepared to issue orders for the official's immediate retirement?

The Honourable Sir Bhupendra Nath Mitra: Babu Jogendra Nath Biswas has been granted a year's extension of service after attaining the age of 55 years. His case is governed by Fundamental Rule 56 (b) and the question of his immediate retirement does not, therefore, arise.

GRANT OF EXTRA ALLOWANCE TO CLERKS OF ALL HEAD OFFICES IN BENGAL AND ASSAM FOR POSTING INTEREST IN THE SAVINGS BANK LEDGERS.

1062. ***Mr. Amar Nath Dutt:** (a) Is it a fact that an allowance is given to the clerks of the Calcutta General Post Office for posting interest in the Savings Bank Ledger Book, while the same is not given to clerks of other Head Offices in the Bengal and Assam Circles?

(b) If the reply be in the affirmative, will the Government please state the reason, why they are not paid extra allowance, although they are required to do the same kind of work as the clerks of Calcutta General Post Office?

(c) Whether Government proposes to give extra allowance to the clerks of all Head Offices in Bengal and Assam, who are required to post interest in Savings Bank Ledgers?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) and (c). It has not been found necessary to make special arrangements in other offices in the Circle.

ALLEGED ASSAULT BY A SOLDIER ON A POSTAL OFFICIAL IN THE DUM DUM POST OFFICE.

1063. ***Mr. Amar Nath Dutt:** (a) Has the attention of the Government been drawn to an article entitled "Abuses of Postal officials by the public" published in *Labour*, dated December 1924?

(b) If so, have the Government made any inquiries into the alleged incident of a soldier named L. C. B. Auckland of the 2nd South Wales Borderers, Dum Dum, having trespassed into the Dum Dum Post Office and committed an unprovoked assault on a postal official on duty under circumstances related in the article?

(c) If the reply be in the affirmative, will the Government please state the result of the inquiry and whether it proposes to take any action, legal or departmental, for securing the punishment of the soldier?

(d) Is it a fact that the case was reported to the Postmaster General, Bengal and Assam, by the General Secretary, Provincial Postal and R. M. S. Association, Bengal and Assam? If so, what action was taken by him in the matter?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes. .

(b) Inquiries have been made.

(c) The clerk lodged a complaint of assault against the soldier with the police and the soldier brought charges against the clerk and a postman of tearing his pass-book and of assault, respectively. The Officer Commanding gave an undertaking that he would warn his men against using violence or abusive language to postal officials in any circumstances and, as the police were not in favour of proceeding with the case, no further action was considered necessary.

(d) Yes. The General Secretary was informed of the result of the inquiries.

OFFICIATING AND PERMANENT APPOINTMENTS IN THE SELECTION GRADES
IN THE CALCUTTA GENERAL POST OFFICE, ETC.

1064. ***Mr. S. C. Ghose:** (a) Will the Government please state how the officiating and permanent appointments of the selection grades in the Calcutta General Post Office and the mofussil Post Offices in the Bengal and Assam Circle are filled up?

(b) Is it a fact that Babu Manmotha Nath Dutta, a junior official in the time-scale, has been officiating continuously for a long period in the selection grade of Rs. 175—225 in the Calcutta General Post Office although there are numerous senior officials both in the time-scale as well as in the selections grade appointments of Rs. 145—170?

(c) Is it a fact that Babu Karindra Nath Ghosal who was a clerk of the office of the Postmaster General, Bengal and Assam, and recently promoted as head clerk, Calcutta General Post Office, on Rs. 145—170 was permitted to officiate in the higher selection grade of Rs. 250—350 as Postmaster, Pabna and Faridpur, for a long time and has now been officiating as Postmaster though there were and are numerous senior officials in the grades of Rs. 145—170 and Rs. 175—225 in the Calcutta General Post Office and the whole circle?

(d) Were all senior officials in the Bengal and Assam Circle who have been superseded by Babu Karindra Nath Ghosal considered as unfit for officiating promotion in the selection grade appointment? If so, were the superseded officials given any chance of rebutting the charge of unfitness?

(e) Do the Government propose to take any action in the matter?

The Honourable Sir Bhupendra Nath Mitra: (a) Permanent promotions to the selection grades are based solely on merit and efficiency. This principle is followed also in the case of officiating promotions subject, according to the exigencies of the service, to the selection of the fit officials most readily available.

(b), (c), (d) and (e). Government have no information. Superseded senior subordinates who considered that they have a grievance are at liberty to appeal in the usual manner.

CONSTRUCTION OF THE RAILWAY FROM RAIPUR TO VIZIANAGRAM
VIA PARVATIPUR.

1065. ***Mr. W. S. J. Willson:** With reference to the creation of a Harbour at Vizagapatam, will Government please state when the construction of the Railway from Raipur to Vizianagram *via* Parvatipur will be taken in hand?

The Honourable Sir Charles Innes: The construction of the Raipur Parvatipur railway will be undertaken at the same time as the construction of the harbour works at Vizagapatam. We hope to begin work on both projects as soon as the sanction of the Secretary of State, which has been applied for, is received.

Sir Campbell Rhodes: When is that sanction expected?

The Honourable Sir Charles Innes: That, Sir, is a question which it is quite impossible for me to answer. All I can say is that sanction was applied for some time ago.

MR. HORNIMAN'S DEPORTATION.

1066. ***Mr. Chaman Lall:** Are the Government prepared to give effect to the Resolution passed by the Legislative Assembly with regard to Mr. Horniman's deportation?

The Honourable Sir Alexander Muddiman: The answer is in the negative.

***Mr. Chaman Lall:** Will the Honourable Member give us the reason why the answer is in the negative?

The Honourable Sir Alexander Muddiman: The Government of India do not consider the presence of the gentleman in question desirable in India in the public interests.

Mr. Gaya Prasad Singh: Are you prepared to prosecute Mr. Horniman for any offence he may have committed?

The Honourable Sir Alexander Muddiman: I am not aware that he has committed any offence.

Mr. Chaman Lall: Is the Honourable Member prepared to give effect to the Resolution passed by the Assembly on this subject?

The Honourable Sir Alexander Muddiman: I have already answered that question.

Mr. Chaman Lall: Is the Honourable Member aware that a great deal of dissatisfaction is prevalent in the country because of the action taken against Mr. Horniman?

The Honourable Sir Alexander Muddiman: I am not aware of it.

Mr. Chaman Lall: Does the Honourable Member ever read the daily newspapers?

Mr. A. Rangaswami Iyengar: May I know, Sir, the reasons which induced the Government to refuse to give effect to the Assembly's Resolution?

The Honourable Sir Alexander Muddiman: If the Honourable Member will read the debate on the occasion he will find the reasons there.

Mr. A. Rangaswami Iyengar: In spite of the arguments adduced on the floor of this House, the Assembly chose to pass the Resolution and I want to know whether there has been any subsequent reason to that which induced Government not to give effect to the considered Resolution of the House.

The Honourable Sir Alexander Muddiman: The Resolution was passed in spite of the arguments of the Government, which the Government still consider valid.

Mr. Chaman Lall: May I, with your permission, Sir, ask the Honourable Member whether that decision rests finally with the Secretary of State for India or with the Government of India or the Government of Bombay?

The Honourable Sir Alexander Muddiman: What decision?

Mr. Chaman Lall: The decision with regard to Mr. Horniman's deportation?

The Honourable Sir Alexander Muddiman: I imagine it rests with the Secretary of State finally; but the Government of India are not prepared to recommend to the Secretary of State to allow Mr. Horniman to return to India.

Mr. Chaman Lall: Will the Honourable Member be prepared to make a recommendation to the Secretary of State?

The Honourable Sir Alexander Muddiman: Certainly not, Sir.

Mr. Chaman Lall: Will the Honourable Member have the wishes of this House, as far as they have been expressed by the Resolution passed by us, conveyed to the Secretary of State?

The Honourable Sir Alexander Muddiman: The Secretary of State has no doubt before him the Resolution passed by the House.

Mr. K. Ahmed: Are Government aware that between the time when this Resolution was passed and now the opinion of the House has become different? (Laughter.)

Mr. A. Rangaswami Iyengar: I challenge to prove it.

Mr. Chaman Lall: The Honourable Member (Mr. K. Ahmed) knows that that statement of his is untrue.

APPOINTMENT OF COLONEL NEEDHAM TO INVESTIGATE THE QUESTION OF IMPROVEMENT IN THE MEDICAL ARRANGEMENTS ON THE NORTH-WESTERN RAILWAY.

1067. ***Mr. Chaman Lall:** (a) Is it a fact that a new post was created for Colonel Needham on his retirement?

(b) Will Government state the remuneration paid to Colonel Needham and the privileges attaching to his office?

(c) Will Government state the necessity for the creation of this post?

The Honourable Sir Charles Innes: (a) and (c). No. The services of Colonel Needham were obtained for the purpose of investigating the question of improvement in the medical arrangements on the North Western Railway.

(b) Rs. 3,000 per mensem *plus* any further concession which may be given under the recommendations of the Lee Commission to officers of his standing. He is also given travelling facilities as a railway officer.

Mr. Chaman Lall: Is the Honourable Member aware that this is an absolutely unnecessary post and will he take immediate steps to have the post abolished?

The Honourable Sir Charles Innes: I can only say that I entirely disagree with the Honourable Member.

Mr. Chaman Lall: Is the Honourable Member aware that there were motions for reduction under this very head in the Railway Budget and that owing to the guillotine they could not be reached?

NORTH-WESTERN RAILWAY SLEEPER CONTRACT.

1068. ***Lala Hans Raj:** Will the Government be pleased to lay on the table the report of the Central Advisory Committee with regard to the North-Western Railway Sleeper Contract as promised in reply to Diwan Chaman Lall's question of the 10th September, 1924, together with a copy of the resolution or other proceeding that Government may have taken on that report?

The Honourable Sir Charles Innes: The Honourable Member is referred to the answer given on 24th February, 1925, to Lala Duni Chand's question on the same subject.

EDUCATION OF THE CHILDREN OF GOVERNMENT OF INDIA EMPLOYEES.

1069. ***Mr. Kumar Sankar Ray:** (a) Has the attention of the Government been drawn to the article headed "Government of India Clerks" dealing with the defects in the arrangements for the education of their children published in the *Wealth and Welfare Weekly*, dated Lucknow, the 28th January 1925?

(b) What action do the Government propose to take in the matter?

Mr. J. W. Bhore: (a) The Government of India have seen the article.

(b) The Government of India have done and will continue to do all that can reasonably be expected in the matter of improving the facilities for the education of the children of their employees.

DEFECTS IN THE "D" CLASS INDIAN CLERKS' QUARTERS AT RAISINA.

1070. ***Mr. Kumar Sankar Ray:** Are the Government aware of the following defects in the "D" class Indian clerks' quarters at Raisina and what action do they propose to take to remove them:

(a) The kitchen room has no ventilators for the outlet of smoke which cannot pass out when the door is closed against the cold wind in winter;

- (b) The godown room has got 2 unnecessary ventilators large enough for a thief to pass through even when the door is closed;
- (c) The outer walls are so low that any one can leap over them without any difficulty, and thus make the task easy for thieves;
- (d) The bath room has got a network of bricks (instead of a window) which allows an unrestricted passage of air into the room when it is not desired in winter.

The Honourable Sir Bhupendra Nath Mitra: (a), (b) and (c). I think my Honourable friend has been misinformed. The kitchen room in the "D" class quarters is provided with a fire-place and flue, there are no godowns in these quarters, and the outer walls are eight feet high.

(d) It is correct that the bath room or bathing place is provided with honey-comb brick work in place of a window. A representation has been received asking for the substitution of a glazed window with bars, and is under consideration.

NEW APPOINTMENTS IN THE STORES DEPARTMENT.

1071. ***Mr. Kumar Sankar Ray:** (a) Is it a fact that some new appointments were sanctioned for the Stores Department last year on the ground that the staff was overworked and that relief was required urgently?

(b) If so, how many appointments were sanctioned and how many, if any, of them are still unfilled and what were the circumstances under which it was considered necessary to sanction them urgently?

The Honourable Sir Bhupendra Nath Mitra: Most of the appointments created in the Stores Department last year were sanctioned in pursuance of the general scheme for the development of the Department. There were, however, a few appointments of subordinates, clerks and menials sanctioned on the ground of urgent necessity. All these appointments, with the exception of one junior clerkship, have been filled. All the appointments sanctioned in connection with the expansion of the Department have been filled with the exception of two Inspectorships, four Examiner-ships and one Draughtsman's appointment. The appointments generally were filled as necessity for recruitment arose, and steps are being taken to fill the vacant appointments except the appointment of Draughtsman, the filling of which is not immediately necessary.

Mr. B. Das: May I know, Sir, if the Government have carried out the recommendations of the Indian Stores Committee regarding the filling up of these appointments in the Stores Department?

The Honourable Sir Bhupendra Nath Mitra: I should like the Honourable Member to refer me to the particular recommendation he has in mind.

Mr. B. Das: I refer to the recommendation that all the appointments should be temporarily filled and that Europeans should be appointed only temporarily until suitable Indians are found and that all permanent appointments should go only to Indians. That is one of the recommendations of the Indian Stores Committee.

The Honourable Sir Bhupendra Nath Mitra: The appointments are as a matter of fact being filled temporarily. I think I explained in this House on another occasion that, when we want to fill any of these appointments, we insert advertisements in the papers and we take the best man available.

PROPORTION OF OFFICERS TO CLERKS AND SUPERINTENDENTS IN THE CIVIL SECRETARIAT AND ATTACHED OFFICES OF THE GOVERNMENT OF INDIA.

1072. ***Mr. Kumar Sankar Ray:** (a) What is the proportion of officers to clerks and superintendents in the various Departments and attached offices of the Civil Secretariat of the Government of India?

(b) In which of the offices are the officers in excess of the usual proportion and why?

(c) Are the officers in the offices referred to in (b) required to do noting and drafting on important cases themselves?

(d) Are the assistants in such offices in receipt of the same rates of pay as those of the offices in which noting and drafting is expected from assistants?

The Honourable Sir Alexander Muddiman: (a) I will send the Honourable Member a statement giving the information required.

(b) The Honourable Member will see from the statement that there is no such thing as a usual proportion. A wide variation in the proportion is inevitable in view of the different nature of the work done in different offices.

(c) In all offices the officers note and draft, where necessary, on important cases.

(d) Does not therefore arise.

PROVISION OF MORE LETTER BOXES IN RAISINA.

1073. ***Mr. Kumar Sankar Ray:** (a) How many postal letter boxes are there in Delhi city and how many at Raisina (Imperial Delhi) and what is approximately the proportion of the area of the former to the latter?

(b) Is it a fact that although the Indian clerks' quarters side is more thickly populated than the rest of Raisina there are only 2 letter boxes for the peons' quarters on the one end to the Talkatora Park on the other end?

(c) When do the Government propose to provide more letter boxes at Raisina?

The Honourable Sir Bhupendra Nath Mitra: (a) Delhi, including the Civil Lines, has 111 letter boxes and Imperial Delhi, which, for postal purposes, includes Paharganj and Karaul Bagh as well as Raisina, has 25 letter boxes. The area of the former is roughly 4 times that of the latter.

(b) There are only two letter boxes on the road referred to by the Honourable Member but three other letter boxes are also situated in the vicinity of Indian clerks' quarters.

(c) More letter boxes will be provided at Raisina as soon as it grows in population and there is a demand for additional letter boxes.

MORNING DELIVERY OF REGISTERED LETTERS AT RAISINA AND SIMLA.

1074. ***Mr. Kumar Sankar Ray:** (a) Are the Government aware that the official community and the Members of the Legislature at Raisina and Simla cannot get their registered letters because they are delivered during office hours in their absence?

(b) Do the Government contemplate arranging for the morning delivery of registered letters, etc., specially at these stations?

The Honourable Sir Bhupendra Nath Mitra: (a) and (b). At Simla a delivery of registered letters, etc., was made last season at 9-15 A.M. to the general public and at 9 A.M. as a special case to Members of the Legislature residing in the quarters on the Cart Road and Summer Hill. Arrangements are being made to have two general deliveries of such articles in the morning, namely, at 8 and 9-30 o'clock.

At Raisina, special arrangements exist for the delivery of registered letters, etc., to Members of the Legislature at 8 A.M. It is not possible to extend these arrangements without considerable extra expense.

INCOME-TAX ASSESSMENTS IN CALCUTTA.

1075. ***Sardar Gulab Singh:** (a) Are Government aware that a large number of representations have been addressed to the Commissioner of Income-tax, Bengal, drawing his attention to cases in which people have been improperly under-assessed or over-assessed to income-tax in Calcutta; and suggesting negligence on the part of the staff employed?

(b) Is it a fact that one Madanlal Purasrampuri of 114-1, Cotton Street, Calcutta, has sent a series of detailed representations since August 1924, to the Commissioner of Income-tax, Bengal, in connexion with the assessment of a particular firm?

(c) What is the procedure generally followed in dealing with representation containing allegations against assessment officers? Is the person making them allowed to substantiate his charges if he offers to do so? Was such opportunity given to Madanlal Purasrampuri?

(d) Will Government be pleased to inquire as to what action was taken by the Commissioner of Income-tax on the representations referred to in clauses (a) and (b) above? And if no action was taken, are Government aware that failure to take action on some of these representations has resulted in serious loss of revenue to Government?

(e) Will Government be pleased to call for these representations, together with a report thereon, from the Commissioner of Income-tax, Bengal?

The Honourable Sir Basil Blackett: (a) The Government have no information. They are calling for a report on this subject.

(b) to (e). As has been stated more than once the Government are not prepared to discuss individual assessments in this House.

(c—First sentence) Income-tax officers are under the control of Commissioners of Income-tax. Against disciplinary action by the Commissioner an appeal lies to the Local Government. They are not under the direct control of the Government of India. If specific allegations of misconduct were made against an Income-tax officer the Commissioner would naturally hold a regular inquiry in regard to them unless he was satisfied that they were groundless.

INDIAN EXILES IN FOREIGN COUNTRIES.

1076. ***Khan Bahadur Sarfaraz Hussain Khan:** (a) Will Government be pleased to state the number of Indians exiled in foreign countries for their being connected with movements to secure freedom for India?

(b) Do Government propose to withdraw the ban on their return to India?

The Honourable Sir Alexander Muddiman: (a) I would refer the Honourable Member to the answer given on the 3rd February to Mr. N. C. Kelkar's question No. 744. No other steps have been taken to prevent Indians from returning to India.

(b) The Honourable Member will see that only one British Indian subject is in question. Government do not intend at present to modify their orders in his case.

GRANT OF IMMUNITY FROM PROSECUTION ON THEIR RETURN TO INDIA OF INDIAN EXILES IN FOREIGN COUNTRIES.

1077. ***Khan Bahadur Sarfaraz Hussain Khan:** Will the Government be pleased to state whether any steps are being proposed to be taken for granting the exiles immunity from prosecution on their return to this country?

The Honourable Sir Alexander Muddiman: The answer is in the negative.

RECENT LEGISLATION AFFECTING INDIANS IN NATAL.

1078. ***Dr. Kishenlal Nehru:** Will Government be pleased to lay on the table of the House a copy of the recent legislation affecting Indians in Natal?

Mr. J. W. Bhore: Government of India have received only one copy of the Ordinance and I am, therefore, unable to comply with the Honourable Member's request at present. More copies have been asked for and, on receipt, a copy will be placed in the Library of the House for the information of the Honourable Members. Meanwhile, if the Honourable Member so desires, I shall be pleased to show him my copy any time that he may care to call at my office.

Mr. T. C. Goswami: I would recommend that the Honourable Member should use the typewriter.

POSITION OF INDIANS IN NATAL.

1079. ***Dr. Kishenlal Nehru:** (a) Will Government be pleased to state if they have taken any steps to represent the Indian position in Natal to His Majesty's Government?

(b) Will Government be pleased to state if they have made any inquiry as to the number of Indians whose civic and trading rights will be affected in Natal by the recent Ordinance passed by the Union Parliament?

Mr. J. W. Bhore: (a) Yes.

(b) No.

REPRESENTATION MADE BY THE GOVERNMENT OF INDIA TO THE SOUTH AFRICAN GOVERNMENT BEFORE THE NATAL ORDINANCE WAS ASSENTED TO BY THE GOVERNOR GENERAL OF SOUTH AFRICA.

1080. ***Dr. Kishenlal Nehru:** Will Government be pleased to state whether before the Governor General of South Africa gave his assent to the Natal Ordinance the Government of India made any representation on behalf of their Indian nationals to the Governor General of South Africa or to the Union Government or to the Secretary of State for India?

Mr. J. W. Bhore: The reply is in the affirmative.

DEPUTATION TO SOUTH AFRICA OF AN OFFICER TO INQUIRE INTO THE GRIEVANCES OF INDIANS CREATED BY RECENT LEGISLATION ENACTED IN THAT COLONY.

1081. ***Dr. Kishenlal Nehru:** Will Government be pleased to state whether they propose to send any officer to South Africa to make a local inquiry into the grievances of Indians created by the recent legislation?

Mr. J. W. Bhore: The Honourable Member's attention is invited to the reply given by His Excellency the Viceroy to the deputation that waited on him on the 28th January 1925. Government are not in a position to make any further statement on the subject at present.

REPORT OF THE COLONIES COMMITTEE.

1082. ***Dr. Kishenlal Nehru:** (a) Will Government be pleased to state when they propose to publish the report of the Colonies Committee which was deputed to England last year?

(b) If there is no report of any such committee will Government be pleased to publish the memoranda of Messrs. Rangachariar and K. C. Roy?

Mr. J. W. Bhore: (a) and (b). The attention of the Honourable Member is invited to the reply given by me on the 23rd January last to Khar Bahadur Sarfaraz Hussain Khan's question No. 157.

REPORT OF THE CIVIL JUSTICE COMMITTEE.

1083. ***Dr. Kishenlal Nehru:** Will Government be pleased to state when it is proposed to publish the report of the Civil Justice Committee? What action do the Government propose to take on it?

The Honourable Sir Alexander Muddiman: The report of the Committee will be published on the 20th instant. I am unable to make any statement at present in regard to the second part of the question as I have not yet examined the report in detail.

REPORT OF THE INDIAN BAR COMMITTEE.

1084. ***Dr. Kishenlal Nehru:** Will Government be pleased to state whether they propose to take any action on the report of the Indian Bar Committee? If so, to what effect and when?

The Honourable Sir Alexander Muddiman: The Honourable Member is referred to the answer given to part (b) of Sir Hari Singh Gour's question No. 396 on the 28th January 1925. The reply of the Bombay Government has not yet been received.

GRANT OF HIGHER EMOLUMENTS TO POSTAL OFFICIALS IN DACCA AS COMPARED WITH NARAYANGANJ.

1085. ***Mr. Amar Nath Dutt:** (a) Is it a fact that the Postal officials stationed at Narayanganj receive a lower scale of pay than those who are stationed at Dacca?

(b) Will the Government be pleased to inquire and state if the house rent and general cost of living at Narayanganj are lower than at Dacca?

(c) If not, what is the reason for fixing for officials at Narayanganj a lower scale of pay than at Dacca?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes, so far as the clerical and menial staff are concerned. The postmen of Dacca are on the same scale of pay as the postmen of Narayanganj but receive a house-rent allowance of Rs. 2 a month each.

(b) and (c). Government do not propose to make an inquiry. The higher emoluments sanctioned for Dacca as compared with Narayanganj do not merely represent the difference in the cost of living but are also based on the consideration that work in bigger offices is more arduous than in smaller ones.

**DISCHARGE OF PROBATIONERS FROM THE OFFICE OF THE DIRECTOR
GENERAL OF POSTS AND TELEGRAPHS.**

1086 ***Mr. Amar Nath Dutt:** (a) Will the Government please state how many probationers were discharged from the office of the Director General of Posts and Telegraphs in February 1922 as a result of giving effect to the recommendations of the Booth Committee?

(b) How many vacancies have since occurred in the Director General's Office and how many probationers discharged in February 1922 were appointed in those vacancies?

(c) If outsiders were appointed in preference to discharged probationers will the Government be pleased to state their reasons for doing so?

(d) Are the Government prepared to consider the appointment of discharged probationers in future vacancies in the Director General's Office?

(e) Will the Government please furnish the names of discharged probationers who were appointed in the Calcutta Post Office and the time that intervened between their discharge from the Director-General's Office and appointment in Calcutta Post Office

(f) Have they been allowed the benefit of their temporary service in the Director General's Office in fixing their initial pay in the time scale of pay in the Calcutta Post Office? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (a) 41.

(b) and (c). 17 vacancies occurred, of which 12 were filled by probationers discharged in 1922 and 5 by other candidates, including 2 Muhammadan graduates appointed on special grounds.

(d) Yes, as far as possible

(e) A statement is laid on the table

(f) No, because the concession of counting temporary service, followed without intermission permanent service, is admissible only to those officials who had a permanent status on the 23rd September 1920, the date of the Government of India Resolution sanctioning the introduction of time-scales of pay for the clerical staff in post offices.

Statement of probationers discharged from the office of the Director-General of Posts and Telegraphs who were subsequently provided for in the Calcutta General Post Office.

Names.	Date of discharge from the Director- General's Office.	Date of appointment in the Calcutta General Post Office.
1. Lalit Mohan Roy	1-3-1922	10-3-1922
2. Alokendra Chandra Manik	10-1-1922	12-1-1922
3. Monmohan Bose	10-1-1922	1-2-1922
4. St. Habitat Rahman	1-3-1922	3-3-1922
5. Hem Chandra Chatterjee	1-3-1922	3-3-1922
6. Radhankar Sekhar Mukherji	1-3-1922	3-3-1922
7. Kishin Chandra Ghosh	1-3-1922	1-4-1922

CHARACTER SHEETS OF POSTAL OFFICIALS.

1087. ***Mr. Amar Nath Dutt:** (a) Is it a fact that a character sheet is maintained in the Postal Department for every official above the rank of postmen as a confidential document?

(b) If so, is it a fact that only the substance of adverse remarks relating to work and not about conduct is furnished to the official concerned?

(c) Will the Government please state if appeals or representations are permitted against adverse remarks in character sheets? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes, in respect of officials drawing up to Rs 170 a month.

(b) Yes

(c) Any official can make any representation which he thinks proper in regard to any adverse remarks communicated to him.

Diwan Bahadur T. Rangachariar: Does it mean in respect of officials drawing up to Rs 170 or down to Rs 170?

The Honourable Sir Bhupendra Nath Mitra: In respect of officials drawing up to Rs. 170

Diwan Bahadur T. Rangachariar: Does it mean that in respect of officials drawing over Rs 170, no confidential records are kept?

The Honourable Sir Bhupendra Nath Mitra: No The question refers to a particular form of document It is a character sheet In the other case, the documents have a different form.

CASE OF PINDI DASS, A CLERK IN THE RAWALPINDI POST OFFICE.

1088 ***Mr. Amar Nath Dutt:** (a) Is it a fact that one Pindi Dass, clerk, Rawalpindi Post Office, reported himself ill on the 22nd June, 1923, and he was sent to the Staff Surgeon, Rawalpindi Cantonment for medical examination with a closed and sealed letter through a special messenger?

(b) Is it a fact that Pindi Dass complained of pain in the stomach and on the following day got high fever and a registered medical practitioner who treated him granted a medical certificate of illness describing the disease and recommending him for three days' leave?

(c) Is it also a fact that the Postmaster, Rawalpindi, rejected this certificate without informing the clerk and without either sending the same for countersignature by the Civil Surgeon or for examination of Pindi Dass by the Civil Surgeon?

(d) Is it also a fact that Pindi Dass was allowed to rejoin his post after the period of leave recommended by Dr. Prithmi Chand had expired but later on charged and dismissed on the plea of a false certificate and malingering?

(e) Is it also a fact that Mr. Pindi Dass's record was all along good and he had not availed himself of a single day's leave on any pretext whatsoever before this in his whole service of four years?

(f) Is it also a fact that His Director General of the Posts and Telegraphs set aside the orders of dismissal but allowed his services to be dispensed with? Do the Government propose to reinstate Pindi Dass under the circumstances?

(c) Was the above order of the Movement Superintendent issued on the representation of the Superintendent, railway station, Delhi, or as a result of any complaints made to him?

(d) Do Government propose to take any steps in the matter?

The Honourable Sir Charles Innes: Government have no information on the subject but they will bring the matter to the notice of the Agent by furnishing him with a copy of this question and answer.

PROVISION OF MORE WATERWAYS ON THE RAILWAY LINES IN THE MORADABAD DISTRICT.

1095. ***Maulvi Muhammad Yakub:** In reply to my question No. 315 asked on January 27th 1925, the Government replied that the whole question about constructing more waterways on the railway lines in the Moradabad District was under inquiry. Will the Government be pleased to state by whom the inquiry was made? What was the nature and result of the inquiry and what steps, if any, are being taken by the Government to prevent the recurrence of the breaches?

The Honourable Sir Charles Innes: The inquiry is being made by the Railway Administrations concerned at the instance of Government. It is a technical inquiry to ascertain whether and to what extent additional waterways should be put in to meet flood conditions, but a final decision has not yet been arrived at with regard to the Rohilkund and Kumaon Railway line in that area. As far as that line is concerned, the question of waterways was considered by a committee appointed by the Local Government in 1914 and the committee was of the opinion that no more waterway was necessary. Having regard to recent events, that opinion is now being re-examined by the Agents of the Oudh and Rohilkhand and Rohilkund and Kumaon Railways.

In the case of the Gajrula Garmuktesar section, however, it has been decided to put in 120 feet of additional waterway and that is being provided.

APPOINTMENT OF MUHAMMADANS AS ASSISTANT TRAFFIC SUPERINTENDENTS ON THE NORTH WESTERN RAILWAY.

1096. ***Maulvi Muhammad Yakub:** Will the Government be pleased to state:

- (a) The number of Musalmans out of the 25 candidates, who were interviewed by the Railway Board for the posts of the Assistant Traffic Superintendents for the North-Western Railway?
- (b) The number of the Musalman candidates selected by the Board?
- (c) Were any Musalmans amongst the rejected candidates who had received their training for the post in England and what were the reasons for rejecting such candidates?

The Honourable Sir Charles Innes: (a) Eight.

(b) Two but one failed in the medical examination.

(c) Of the candidates interviewed two Musalmans had received some railway training in England. One was not among the number of those selected as most suitable by the Railway Board and the other who was selected by the Railway Board at the interview was disqualified by the Punjab Medical Board.

REMISSION OF PROVINCIAL CONTRIBUTIONS.

Mr. M. A. Jinnah: Sir, may I be permitted to put a question of which I gave private notice to the Honourable the Finance Member?

Will the Government be pleased to lay on the table a statement showing the remission of contribution to which each province will be entitled out of the total of $2\frac{1}{2}$ crores remitted in 1925-26, and a further total of $1\frac{1}{2}$ crores in each succeeding year?

The Honourable Sir Basil Blackett: I will lay the statement* on the table. But perhaps it will be to the convenience of the House if I give a few figures. As the House knows, a reduction of $2\frac{1}{2}$ crores has the effect under the Devolution Rules of reducing the Madras contribution by 126 lakhs, the United Provinces contribution by 56 lakhs, the Punjab contribution by 61 lakhs, and the Burma contribution by 7 lakhs. A further reduction of $1\frac{1}{2}$ crores making 4 crores in all would reduce the contribution of the same provinces, but none of the others. The Madras contribution by a further 67 lakhs, the United Provinces contribution by a further 41 lakhs, the Punjab contribution by a further 33 lakhs, and the Burma contribution by a further 9 lakhs. A further $1\frac{1}{2}$ crores making the total $5\frac{1}{2}$ reduces the Madras contribution by a further 59 lakhs, the United Provinces contribution by a further 45 lakhs, the Punjab contribution by a further 30 lakhs, the Burma contribution by a further 14 lakhs, and the Assam contribution by 2 lakhs. The next $1\frac{1}{2}$ crores making the total reduction of 7 crores reduces the Madras contribution by a further 43 lakhs, Bombay contribution by a further 15 lakhs, the Bengal contribution by a further 3 lakhs, the United Provinces contribution by a further 41 lakhs, the Punjab contribution by a further 23 lakhs, the Burma contribution by a further 14 lakhs, the Central Provinces contribution by 6 lakhs and the Assam contribution by 5 lakhs. The next one and a half reduces Madras by 28, Bombay by 22, Bengal by 32, the United Provinces by 30, Punjab by 15, Burma by 10, the Central Provinces by 9, and Assam by 4, leaving a balance which will be finally wiped out by the next reduction, in the case of Madras of 25 lakhs, Bombay 19 lakhs, Bengal 28 lakhs, the United Provinces 27 lakhs, Punjab 13 lakhs, Burma 10 lakhs, the Central Provinces 7 lakhs, Assam 4 lakhs.

Mr. M. A. Jinnah: May I ask, Sir, do the Government realise that the Meston Award has done great injustice to Bombay in the distribution of reduction, and, if so, besides other grounds, do the Government think that it is high time that the Meston Award was revised?

The Honourable Sir Basil Blackett: Sir, I am aware that there are many opinions about the Meston Award, and not many favourable, but beyond that I do not think I can answer the question.

Mr. V. J. Patel: Will the Honourable Member say whether the Bombay Government have pressed this view on the Government of India, for the reopening of the Meston Award and its re-examination?

The Honourable Sir Basil Blackett: I believe the Bombay Government have done so on one or two occasions.

Mr. A. Rangaswami Iyengar: Sir, are there other Governments who have done so?

The Honourable Sir Basil Blackett: I should like to be told of any Government except Bihar and Orissa which has not done so.

Mr. H. G. Cocke: Sir, is it not a fact that the Award is under revision at the present moment by the Taxation Inquiry Committee?

The Honourable Sir Basil Blackett: The question of central, provincial and local taxation which is before the Taxation Committee undoubtedly has considerable relevance to this question. Whether it can be said actually to be under review by the Taxation Committee is more difficult to answer. It was not definitely referred to them to make a recommendation as regards any change in the Meston Award.

Mr. M. A. Jinnah: Sir, will the Government, in view of this widespread dissatisfaction, undertake the revision of the Meston Award?

The Honourable Sir Basil Blackett: I don't think this question really arises but I am pretty sure that the widespread dissatisfaction over the Government's revision would be equally great.

Mr. V. J. Patel: Is the Honourable Member aware that the Bombay Legislative Council only yesterday passed a motion of adjournment as a protest against the inequity of the Meston Settlement?

The Honourable Sir Basil Blackett: I have also read the Indian News Agency telegram.

Mr. Devaki Prasad Sinha: Sir, may I ask the Honourable Member if he realises that, in the scheme for the revision of the provincial contributions, the tax-payers of Bihar and Orissa, who contribute to the surplus out of which the contributions are ordered, are very unjustly treated?

The Honourable Sir Basil Blackett: I am glad to know there is no exception to the rule.

UNSTARRED QUESTIONS AND ANSWERS.

ACTION TAKEN ON THE RESOLUTION RE GRIEVANCES OF THE SIKH COMMUNITY.

211. **Pandit Madan Mohan Malaviya:** Will the Government be pleased to state:

- (a) What action has been taken on the Resolution of this House of February 26th, 1924, urging the appointment of a committee to inquire into the grievances of the Sikh community and to make recommendations for a satisfactory solution of them?
- (b) If no action has been taken by the Government, do they intend to take any action now? If not, why not?

The Honourable Sir Alexander Muddiman: I invite the Honourable Member's attention to the reply I gave on the 3rd September last to Sardar Gulab Singh's question on the same subject. I have nothing further to add.

ACTION TAKEN ON THE RESOLUTION RE THE RELEASE OF SARDAR KHARAK SINGH.

212. Pandit Madan Mohan Malaviya: Will the Government be pleased to state:

- (a) What action has been taken on the Resolution of this House recommending the release of Sardar Kharak Singh?
- (b) If no action has been taken, do the Government intend to carry out the recommendation of this House now? If not, why not?

The Honourable Sir Alexander Muddiman: I invite the attention of the Honourable Member to the reply given by me to a similar question by Sardar Gulab Singh, in September last. I have nothing further to add.

STOPPAGE OF RECRUITMENT FOR THE ARMY OF SIKHS PARTICIPATING IN THE AKALI MOVEMENT.

213. Pandit Madan Mohan Malaviya: Will the Government be pleased to state if it is a fact that the military authorities issued any instructions to the various commands in July 1924, forbidding recruitment to the Army from those Sikh villages which have taken part in the Gurdwara reform movement?

Mr. E. Burdon: Under orders issued in July 1924, the recruitment of Sikhs for the Army has been closed in villages that have taken an active part in the Akali movement, and no Sikh is now admitted to the Army who has either himself, or through his family, been in any way connected with the Akali organization. As the Honourable Member is aware, this organization is composed of bodies that have been declared by Government to be unlawful associations.

CONFISCATION OF THE PENSIONS OF SIKH MILITARY PENSIONERS PARTICIPATING IN THE AKALI MOVEMENT.

214. Pandit Madan Mohan Malaviya: Will the Government be pleased to state if it is a fact that the pensions of several Sikh retired military pensioners, officers and men have been ordered to be forfeited by the Government simply because they have taken part in the movement of Gurdwara reform, though they have never joined or taken part in any political movement?

Mr. E. Burdon: No, Sir. The pensions of several Sikh military pensioners have been confiscated as the result of the pensioners taking part in the Akali movement, the organizing bodies of which had been proclaimed by Government as unlawful associations; but no pension has been or will be forfeited in consequence of the holder participating in a purely religious movement.

CONFISCATION OF THE PENSION OF RISALDAR RANJODH SINGH.

215. Pandit Madan Mohan Malaviya: Will the Government be pleased to state:

- (a) If it is a fact that the Government has confiscated the pension of Risaldar Ranjodh Singh alias Dalip Singh, I.D.M., with Sobha Horse, who belongs to a respectable family of Sandara

of Ranghar Nangal (District Gurdaspur) mentioned in the "Punjab Chiefs", who rendered meritorious service in the Great War in France and Mesopotamia, was wounded three times on the battle-field in France and as a result lost one eye, was selected for the King's commission, but was forced to retire on account of indifferent health?

- (b) If it is a fact that not only has his pension been stopped but all his arrears of pension of more than 2 years have also been confiscated?
- (c) If it is a fact that the said Risaldar has been so treated by the authorities simply on account of his conviction in the Nabha State in connection with the Jaito Akhand Path affair?

Mr. E. Burdon: (a) The facts are as stated by the Honourable Member, except that Risaldar Ranjodh Singh was not actually selected for a King's Commission, but was sent to the Indore College for training and left on the ground of ill-health.

(b) Further payment of his pension was stopped, on his conviction under sections 131 and 224 of the Indian Penal Code and sentence to a total of 9 years' rigorous imprisonment and a fine of Rs. 500. It was reported that for 2 years previous to this conviction Risaldar Ranjodh Singh had not applied for his pension, as his pension papers were lost.

(c) The pension was confiscated in accordance with regulations, as a consequence of Risaldar Ranjodh Singh's conviction in a criminal court.

ADVERTISEMENTS OF THE EASTERN BENGAL AND EAST INDIAN RAILWAYS.

***216. Baboo Runglal Jajodia:** Will the Government be pleased to let this House know what are the rules and regulations under which railway advertisements with particular reference to the Eastern Bengal Railway and the East Indian Railway are published in the English and vernacular journals?

ADVERTISEMENTS OF THE EASTERN BENGAL AND EAST INDIAN RAILWAYS.

217. Baboo Runglal Jajodia: (a) Will the Government be pleased to inform this House whether it is a fact that in this year's list of papers entitled to receive advertisements for the Eastern Bengal Railway and the East Indian Railway, Hindi and Bengali papers have altogether been excluded? If so, what are the reasons?

(b) Will they please state if any railway advertisements are published in any other vernacular, if not, why?

(c) If the answer to (a) be in the negative, do the Government propose to see, in view of the fact that in Bengal and other places the traders and interested public are vernacular knowing, to the desirability of including vernacular papers in the list?

The Honourable Sir Charles Innes: I will answer this question and the preceding one together.

The Agents of the State Railways have received full authority to advertise in English and Vernacular papers which they consider are the best value as advertising media.

ADVERTISEMENTS OF THE EASTERN BENGAL AND EAST INDIAN RAILWAYS.

218. Baboo Runglal Jajodia: Will the Government be pleased to inform this House as to the total amount of money spent by the Eastern Bengal Railway and the East Indian Railway on the publication of advertisements in the journals during the last 5 years, showing therein the amount and proportion of cost of advertisements published in English and other vernacular journals in Hindi and Bengali—stating further in the case of papers published in English the ratio of the amount between Anglo-Indian and Indian-owned journals.

The Honourable Sir Charles Innes: Government have no information.

SEIZURES OF OPIUM, COCAINE AND OTHER NARCOTICS.

219. Baboo Runglal Jajodia: (a) Will the Government be pleased to show an average of cocaine, opium and other narcotics seized during the last three years?

(b) What is the amount of seizure during the current year and what is the percentage of increase over normal figures?

(c) What is the amount of rewards offered for seizures effected during the last three years. What is the figure for the current year and what is the percentage of increase over normal figures?

(d) What is the proportion of rewards offered in connection with seizures to the article seized and to the face value of the article seized?

(e) What is the amount of fines derived from seizures during the last three years and what is the figure for the current year and the proportion of increase over normal figures?

(f) What are the rules for the regulation of rewards to particular officers? Did the rewards during the last three years in any case exceed the grade pay of the officer rewarded? If so, in how many cases and to what proportion?

The Honourable Sir Basil Blackett: Seizures of drugs are made both by excise and by custom officers. As regards seizures by excise officers and rewards given to them such information as is easily accessible to the Government of India is being compiled and will be communicated to the Honourable Member. The Government do not propose to call for special reports from the Local Governments for this purpose. Information regarding the seizures made by custom officers and the rewards given to them is being collected and I will communicate it to the Honourable Member. Fines in connection with seizures are usually imposed by magistrates and the Government do not consider that any useful purpose will be served by ascertaining what proportion of the fines collected by magistrates relate to offences in connection with the illicit possession, etc., of drugs.

RECOMMENDATIONS OF THE RETRENCHMENT COMMITTEE REGARDING MILITARY EXPENDITURE.

220. Baboo Runglal Jajodia: Will the Government be pleased to state their findings on the following recommendations of the Retrenchment Committee in the Army Department:

- (a) Steps for the organisation of an effective reserve and reduction of the peace strength of the Indian battalion to 20 per cent. below the war level;
- (b) introduction of a system of rationing petrol and restricted establishment of motor vehicles and reserves;

- (c) maintenance of commercial accounts for all manufacturing establishments and for the remount department;
- (d) reduction in and fixity of a basis in capitulation rate for British troops;
- (e) curtailment in stock of stores and disposal of surplus ordnance;
- (f) other reductions in strength of troops and clothing?

Mr. E. Burdon: I invite the attention of the Honourable Member to the exhaustive statement which was laid on the table on the 1st February 1924 in reply to a question asked by Diwan Bahadur M. Ramachandra Rao. This statement contains all the reductions carried out on the recommendations of the Retrenchment Committee, except that of the third regiment of British cavalry, to which I referred in answer to a question by Mr. Goswami on the 24th of last month.

REORGANISATION OF THE ROYAL INDIAN MARINE.

221. Baboo Runglal Jajodia: Will the Government be pleased to state at what stage of reorganisation since the Retrenchment Committee recommendations were issued does the Royal Indian Marine stand?

Mr. E. Burdon: The various recommendations of the Retrenchment Committee in connexion with the Royal Indian Marine have been carried out with the following exceptions, which are still under consideration:

- (i) Royal Indian Marine ship "Clive" to combine duties of station ship at Port Blair and Rangoon.
- (ii) Discontinuance of the maintenance of the R. I. M. ship "Dalhousie" as a receiving ship.
- (iii) Reduction of one patrol craft boat and four trawlers.
- (iv) Cost of working the Perim lighthouse to be covered by the levy of light dues.
- (v) Abolition of the appointment of Deputy Director, Royal Indian Marine.

REPRESENTATION FROM THE INDIAN PRODUCE ASSOCIATION.

***222. Baboo Runglal Jajodia:** (a) Has the attention of the Government been drawn to a representation from the Indian Produce Association to the Secretary, Railway Board, Simla, on the 10th July, 1924?

(b) Will the Government be pleased to let this House know what has been their findings on the following items represented in the said memorandum:

- (i) Re-weighment of goods at Howrah;
- (ii) Recognition of the Exchange Mart at Howrah and the provision of better and roomy accommodation of the Exchange on the railway premises;
- (iii) Renting of the Howrah river-side sheds or a portion of them?

REWEIGHMENT OF GOODS BEFORE DELIVERY BY THE EAST INDIAN RAILWAY AT HOWRAH.

***223. Baboo Runglal Jajodia:** (a) Will the Government be pleased to let this House know whether it is a fact that the practice of reweighing goods and grains before delivery at Howrah has been discontinued and if so, from which date?

*For answer to this question see below question No. 224.

(b) Will they please state when was the system of reweighment of goods before delivery first introduced on the East Indian Railway and particularly at Howrah? What were the circumstances that led to the introduction of the system?

(c) When was the system thought unremunerative and discontinuance contemplated and for what reasons?

GRANT BY RAILWAYS OF FACILITIES TO GRAIN DEALERS FOR REWEIGHMENT OF THEIR GOODS.

224. **Baboo Runglal Jajodia:** Will the Government be pleased to say whether other railways besides the East Indian Railway grant facilities for reweighment to grain dealers?

The Honourable Sir Charles Innes: Government received a copy of the letter referred to, a copy of which was also addressed to the Agent, East Indian Railway. Government understand that the whole matter is under the consideration of the Agent and his Local Advisory Committee, and in the circumstances do not propose to make any inquiry.

RECOMMENDATIONS OF THE RAILWAY COMMITTEE OF 1920.

225. **Baboo Runglal Jajodia:** (a) Will the Government be pleased to inform this House what have been their findings on the following, among others of the recommendations of the Railway Committee appointed in 1920:

- (i) the creation of a Railway Commission;
- (ii) the holding of Engineering inspection;
- (iii) greater provision of traffic inspection;
- (iv) radical reform in accounts and statistics;
- (v) the liquidation of railway debts;
- (vi) expeditious grant of facilities for training to Indians for superior posts;
- (vii) an inquiry into the alleged unfair railway competition with inland waterways?

(b) Will the Government be pleased to state if these recommendations were made 5 years back in view of the utter inadequacy of the existing railway system to meet the country's demand?

The Honourable Sir Charles Innes: (a) (i), (iv) and (vi). The Honourable Member's attention is invited to the Report by the Railway Board on Indian Railways for the year 1923-24 and to the Appropriation Report by the Accountant General, Railways, on the accounts of Railways for the year 1922-23.

(a) (ii) and (iii): These are under consideration.

(a) (v). The question is not understood. The Railway Committee made no recommendation in regard to the liquidation of railway debts.

(a) (vii). The examples given of the alleged unfair competition related both to the Madras Presidency and, as the result of inquiry by a special officer, the Government of India do not think that the complaint is now well founded.

(b) The Railway Committee's recommendations were made in 1921. The terms of reference to the Committee are given at the beginning of the Report.

NUMBER OF RESOLUTIONS MOVED IN THE ASSEMBLY SINCE 1921 AND ACTION TAKEN BY GOVERNMENT ON RESOLUTIONS ADOPTED BY THE HOUSE.

226. Baboo Runglal Jajodia: (a) Will the Government be pleased to let this House know:

(I) how many Resolutions were put before this House by the official and non-official Members;

(II) how many were accepted by this House (i) with the concurrence of the Government and (ii) against Government opposition; since the inauguration of the Reforms stating the subject of the Resolutions and amendments if any, put in by official and non-official Members carried and defeated?

(b) Will they state what action has been taken or is being taken by Government on each of the Resolutions which were carried?

Mr. L. Graham: Part (a) of the question—

A statement showing the number of official and non-official Resolutions moved in the Legislative Assembly since its inauguration in 1921 is laid on the table. Of these, 120 were adopted by the Assembly.

The Debates of the Legislative Assembly supply the remaining information asked for in this part of the question.

Part (b) of the question—

As to the action taken by the Government on Resolutions adopted by the House the Honourable Member is referred to the replies given by Sir Henry Moncrieff Smith to Mr. K. V. Reddi's question on the 24th March 1924 and to Mr. Sadiq Hasan's question on the 27th May 1924 (pages 2111-2112 and pages 2260-2262 of Vol. IV of the Legislative Assembly Debates) and to the statement which was laid on the table on the 23rd February, 1925, in reply to Mr. R. K. Shanmukham Chetty's question on a similar subject.

Statement showing the number of official and non-official Resolutions moved in the Legislative Assembly since its inauguration in 1921.

Session.	TOTAL NUMBER OF RESOLUTIONS MOVED.	
	Official.	Non-official.
Delhi Session, 1921	8	25
Simla Session, 1921	8	20
Delhi Session, 1922	3	35
Simla Session, 1922	6	9
Delhi Session, 1923	5	13
Simla (July) Session, 1923	Nil.	11
Delhi Session, 1924	2	13
May-June Session, 1924	Nil.	1
Simla Session, 1924	2	3
Delhi Session, 1925 (up to 23rd February)	1	11

GENERAL DISCUSSION ON THE GENERAL BUDGET.

FIRST STAGE.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): May I, Sir, ask for the indulgence of the House for one minute whilst I make an inquiry from you? As the House knows, the Honourable the Finance Member has devoted not less than ten paragraphs in his budget speech to the question of exchange where he has brought in my name and where, unless I gave such reply as I have, I may be misunderstood. I expect, Sir, that the occasion to give a reply would arise either on the general debate or on the Demands for Grants. I am very reluctant to take advantage by speech on the Demands for Grants for this purpose as it would only mean that more Demands would be cut out and would come under the guillotine if this very general question were discussed by me or by others at that time. I wonder if you, Sir, propose to restrict speeches to-day and to-morrow to the usual 20 minutes and, if that be, Sir, your decision, may I ask if you would allow me to discuss the question of exchange on the Finance Bill?

Mr. President: I propose to lay down a time limit of 20 minutes for every speech to-day and to-morrow, with the single exception of the general reply of the Finance Member at the end, and to adhere to it rigidly. (Hear, hear.) I gather from the general approval of the House that no one thinks he will suffer injustice thereby. But those who have larger and more intricate subjects to develop will have their opportunity first of all on the relative Demand for Grant, if it does not fall under the guillotine; and if they fail of that opportunity they will, as Sir Purshotamdas Thakurdas has suggested, get their opportunity when the motion that the Finance Bill be taken into consideration is under discussion. Therefore, I think those who wish to spend a longer time over larger subjects will have two opportunities, one of which is perhaps problematical and the other of which is certain.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I shall make no secret of the fact that about this time last year I entertained a hope that, whatever might have been the attitude of this House towards the Budget then, the Government would enable us to support their Budget in the main this year by changing their policy during the course of the year. But, Sir, I am not only disappointed but feel that if there was reason for refusing supplies last year, there are more reasons for refusing supplies in the present year.

(At this stage the President vacated the Chair, which was taken by Mr. Deputy President.)

I regret that neither the lucidity of the Budget nor its admirable handling of figures, disclosing a surplus of more than 3 crores, allows me to pay the customary compliment to the Honourable the Finance Member, and congratulate him. My regret is all the more keen when I remember that Sir Basil Blackett came to India, the land of his birth, with a genuine desire to serve India, like his ancestors, as foreshadowed in his first budget speech. Son of a great father, whose name is still cherished, with reverence in many a Bengali home, for his piety and philanthropic activities, Sir Basil's misfortune has been to be clogged to a system of administration which has been characterised as Satanic by the greatest man of the world. I fully believe that, had Sir Basil been free to act, he would have responded to the wishes of the people, which he and his ancestors loved so well.

[Mr. Amar Nath Dutt.]

Sir, I admit there is a ring of sincerity throughout his whole speech, and a genuine desire to lighten the burdens of taxation, so far as it lies in his power, and the concluding words of his admirable speech "we will work in hope" is still ringing in our ears. But, Sir, "hope deferred maketh the heart sick", and, when we find that there is no hope of any reduction of taxation even this year, may I not put it to him—how long are we to groan under the wheels of this bureaucratic tyranny and oppression? We are told that the separation of railway finance from general finance will bring about a more efficient and cheaper transportation with all that is therein involved for the economic development of the country. But does the Railway Budget disclose any hope of cheaper transportation by reduction of fares? Has it made any provision against the overcrowding of third class passengers, where people are huddled together like beasts and are subjected to various indignities? Further, has it given effect to the proposal for the Indianisation of the Railway Services?

Then let us turn to the Indian Postal and Telegraph Department, which is said to exist for the purpose of providing easy and rapid means of inter-communication and is worked on commercial basis. Does the Budget disclose any indication of the prospect of cheapening postal rates in the near future?

Sir, as regards the military expenditure, there has been a reduction of a little more than three crores, but the very modest goal of reduction to 50 crores suggested by the Retrenchment Committee has not been attained, although the expenditure in connection with special operations in Waziristan and the North West Frontier are non-existent.

Then again, there is no indication of stabilising the exchange, which is essential for our trade, except the soothing statement that the Government of India have no other interests in their mind than the interests of India in their exchange and currency policy. A pious wish, very piously expressed.

Sir, these are some of the special features of the Budget under consideration, and the outstanding fact is that taxes remain the same, not excepting the salt tax, which has been characterised by a former Secretary of State for India as a peculiarly iniquitous and horrible form of taxation, and the Indian tax-payer stands to-day where he was. Sir, in a general discussion of the Budget I shall not waste your time by dealing with figures, but beg to point out the glaring injustice of spending more than half the revenues of the country under the head of military expenditure, where more than 75 per cent. of the people do not know what it is to have a full meal a day. The unquestioned poverty to which this country has been reduced by foreign exploitation—more dangerous than foreign invasion—has never been the subject of anxious consideration of our rulers. You want to guard the people against foreign invasions with an army nearly one-third of which is composed of highly paid foreigners, by taking away from the people their barest necessities of life and driving them to starvation. The half-fed and ill-clad tiller of the soil is a standing commentary of your military policy, and the plea of protecting his hearth and home is only an euphemistic expression for his exploitation. A moment's consideration of the narrative of foreign invasions of India will convince a casual observer that it is more profitable from the point of view of the people of India to have a Tamerlane or a Nadir Shah at intervals than to have a Commander-in-Chief with a highly paid British army in India.

If the maxim laid down by the Brussels Conference that the military expenditure of a country should on no account exceed a fifth of its revenues under normal conditions is to be accepted,—and there is no reason why it should not be accepted, for the proposition was arrived at with the unanimous concurrence of the Government of India and their representatives—then the only reasonable course for the Government of India is to replace the British element in the army by the Indian element and to abandon their present frontier policy.

Sir, this land, favoured of the gods, protected by natural barriers of seas and mountains, needs but little protection from human agency, and if you only check your forward policy and imperialistic tendencies, you will not need the huge army to defend her. One excuse, put forward by our self-appointed trustees, for their stay in this land of regrets, is our incapacity to defend our country. Sir, I unhesitatingly assert, “Pray, don’t add insult to injury”. You are here, not for our good but for your own sake, and the Budget under discussion proves it beyond the shadow of a doubt. You enjoy all the loaves and fishes, and the children of the soil are but mere hewers of wood and drawers of water. The cost of a British soldier is five times as much as that of an Indian; still you do not replace the British soldier by the Indian soldier. You know Indian soldiers are more hardy and efficient than the British soldiers and if you really had the good of Indians at heart you would have drawn your army from the children of the soil, which would not only give employment to many unemployed Indians but whose patriotic sense will be more efficacious in defending their motherland than the hordes of foreign mercenary soldiers. You place the military Budget in our hands, but dare not make it votable. The reason is not far to seek. You know perfectly well that India does not require the huge army for her own defence, much less the British element, which sits like a vampire sucking the lifeblood of the poor Indian tax-payer.

Sir, previous experience shows that it is useless for us to discuss the Budget for our voice is one of crying in the wilderness. However cogent may be our reasons you do not fail to make use of the powers of certification in restoring a grant which we may refuse, or imposing a tax however much we may protest against its imposition.

Sir, last year our leaders attempted to bring our grievances to the notice of the Government by the constitutional method of refusal of supplies. That was a struggle between the prerogatives of the bureaucracy and the prerogatives of the representatives of the people. At the present moment the exercise of these prerogatives by the Government has assumed proportions which needs a check, and I voice the sentiments of the people from the Himalayas to Cape Comorin when I say that before giving our assent to any Demands for Grants, our grievances against the Government must be redressed. These grievances are not a few in number. I shall refer only to a few of them to make my position clear.

We wanted a round table conference and you issued a commission of inquiry into the working of the Reforms and even in its composition you were careful to include men, the majority of whom were never sympathetic towards Indian aspirations. Their report, though long overdue, has not yet been published. The Bengal Legislative Council, as a protest against dyarchy and the undesirable personnel of the Ministry, refused Ministers’ salaries and you visited them with an Ordinance which has introduced a reign of terror in that unhappy province. If you had

[Mr. Armar Nath Dutt.]

really cared for the people you could not have treated us and our wishes in the way in which you have done. We have been insistently demanding a reduction of the cost of administration—which is perhaps the costliest in the world—and yet you have increased the same by giving effect to the recommendations of the Lee Commission in spite of our protests in this House, as also from the press and platform. That the voice of those who are to profit by the Lee plunder—as it has been called—has prevailed against the voice of those who protested against this extravagance, clearly indicates our position under the Reforms. In a free country the withholding of a Demand for Grants cannot be restored and all the functions of State come immediately to a standstill, which brings about the downfall of the Government. No such catastrophe can befall the Indian bureaucracy, and they can flout the recommendations of this House without the slightest fear of being affected in any way, and yet we are told that the Reforms have inaugurated responsible government in India. Under such circumstances, to pass through all the formalities of Parliamentary procedure without any sanction for enforcing compliance with the wishes of the representatives of the people, is a cruel travesty of responsible government and we cannot assent to the Budget consistently with our sense of self-respect. To those who view things in a different light than ourselves, I request them to consider whether the Budget proposes to lighten the burdens of taxation by reducing the salt tax, the price of postage stamps and the military expenditure. I further ask them to consider whether there has been any genuine effort to reduce the cost of administration by Indianising the Services, and last but not the least, whether India can survive this perpetual drain of her resources. From whatever different standpoint we may view the Budget we cannot affix to it our seal of approval without being a party to further impoverishment of our country, in the interests of foreign exploiters, whose interest is, and must necessarily be, antagonistic to our true national interests. So long as this system continues, so long as we are not given real power over the Budget, our attitude will be one of disapproval of your methods, signified by the rejection of the Budget.

With these observations, I ask every true son of India in this House, to refuse every Demand for Grant placed before us by a Government who stand between us and our freedom to make it clear to the world that India demands her birth right of self-government.

Mr. Ahmad Ali Khan (Assam : Muhammadan) : Sir, by reason of certain fortuitous circumstances as he himself puts it the Honourable the Finance Member has been placed in a position to show a surplus this year of over 2 crores. This, it is agreed, the Finance Member has put to the best possible use, namely, in reducing the provincial contributions, which had been acting as a serious hindrance to the development and progress of nation-building departments in the provinces. Sir, the Honourable the Finance Member is to be congratulated for having taken definite steps in initiating certain innovations, such as provisions for a gradual extinction of provincial contributions, the establishment of a Provincial Loans Fund and a scheme for the reduction and avoidance of national debt. These are salutary measures and show the far-sighted vision of the Honourable Member for strengthening the financial credit of the country both in the market here and outside. It is regrettable, however, to find that the military expenditure still stands at a very high figure, namely, Rs. 564 crores. The

Honourable the Finance Member takes the opportunity of stating that in 1925-26 we have succeeded in approaching the estimate of the Retrenchment Committee. That is very welcome so far as it goes, but I should like to quote a few lines further down from the report of the Retrenchment Committee. At page 58 of their report they say:

"We do not, however, consider that the Government of India should be satisfied with a military budget of Rs. 57 crores, and we recommend that a close watch be kept on the details of military expenditure with the object of bringing about a progressive reduction in the future. Should a further fall in prices take place, we consider that it may be possible, after a few years, to reduce the military budget to a sum not exceeding Rs. 50 crores, although the Commander-in-Chief does not subscribe to this opinion. Even this is more, in our opinion, than the tax-payer in India should be called upon to pay."

I wish to lay stress upon the last two lines in the quotation I have read out that even Rs. 50 crores is considered to be excessive having regard to the financial position of the country. With regard to the amount of military stores held in stock I find that that has been reduced from Rs. 20½ crores to Rs. 16½ crores. That again is very high compared with the amount that should be held in stock as recommended by the Retrenchment Committee. At page 37 they say:

"stocks of stores be largely curtailed, and stocks of Ordnance stores including reserves be reduced from Rs. 14 crores to Rs. 8 crores, all surplus Ordnance stores being disposed of."

Even in the matter of stores we have not come down to the figure recommended by the Retrenchment Committee. Possibly that is due to high prices; I do not know. Sir, in regard to the high military expenditure we are told that we should guard against disturbances both internal and external. The internal situation, so far as I know, is perfectly satisfactory seeing that the non-co-operation movement, which at one time may have been considered to be a menace to the peace of the country, is now quiescent. As regards outside, we always have the bogey of the frontier, of the virile and turbulent people who live on the North-West frontier. Sir, it has been stated by more than one military expert that the frontier can be held by a fairly well-equipped Indian army of moderate size provided it is well-officered. And history tells us that the frontier has been so held against foreign invasion by the Sikhs and the Rajputs so long as there has been a good Government at their back to support them. After all I cannot help stating that on the whole the Budget is very satisfactory and shows an improvement on the figures of last year. Nevertheless this House will not be satisfied unless and until certain further reforms are given effect to. I mean the reforms in the direction of reducing third class fares on the railways, the charges on post-cards and letters, the extinction of the provincial contributions. Those are matters on which there is a strong feeling, and I hope the Honourable the Finance Member will be in a position before long to give us relief in those matters also.

There is also another matter on which I want to say one word and that is in connection with the military college. I would ask His Excellency the Commander-in-Chief and the Government of India to start a true military college, not a college on the lines of Dehra Dun. It seems to me that unless the Government take a real step forward and make a genuine effort to Indianise the Army in the higher grades, and that could only be done by having a military college on the Indian soil, the suspicion will remain in the minds of many that the Army is not going to be Indianised with

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in any reasonable time. I hope that before long the Honourable Member in charge of the Army Department will be able to make some announcement which will give us satisfaction.

This time last year I made some observations on the policy of the Government in regard to opium. My Honourable friends from Assam will bear me out that the habit of opium eating is getting worse every year particularly in the Assam Valley. The other day I read in the papers that the female mill hands of Bombay have taken to drugging their babies with the result that infant mortality there has gone up considerably. It is no exaggeration to say that opium eating is almost a universal vice in this country. I understand that a system of registration has been instituted to grapple with the evil. Mere registration will not do and I should like to have an announcement from the Government as to whether they have in view any co-ordinated policy on this question of opium consumption, what steps they propose to take and how far they have succeeded in checking the habit, and so forth. As the Honourable Member who preceded me stated, there is no reduction in taxation and that is a feature of the Budget which in the opinion of many is not satisfactory. Nevertheless I desire to say that the Budget is a great improvement on that of last year, and I congratulate the Finance Member on his achievement.

Mr. M. C. Naidu (Burma: Non-European). Sir, I congratulate the Honourable the Finance Member on the result of his arduous labours, and wish to express the gratification with which I listened to his admirable speech introducing the Budget last Saturday. I sincerely hope that the House will discuss this Budget in a reasonable manner. The kind of discussion which I should welcome is the kind that was raised last week by the Honourable Sir Purshotamdas Thakurdas on the Railway Budget, in connection with the value of stores, when the Government voluntarily withdrew 35 lakhs out of a demand for 50.

I hope my remarks so far will not be taken to mean that I have no grievances against the Budget, or that the Burma constituency will approve of it wholly. I do not think that Burma is as yet as fairly treated by the Central Government as I hope it will be in the future. This is partly due to the fact that we do not complain so incessantly as the representatives of other provinces like Madras, and partly to the fact that we live so far away from Delhi that we are apt to be forgotten. There is a general feeling of grievance throughout Burma that it has not been fairly or generously treated in the matter of the steel protection duties. Burma has not the same facilities for buying Indian steel as the rest of India, and does not feel that it loves India sufficiently to pay duties on its steel, for the purpose of protecting India's industries. But if Burma has to pay these duties, I think it would be just that the amounts realised from such duties should be repaid to the Local Government to help it towards covering that large deficit of 157 lakhs which I see has just been announced for next year. It is true that we have got a reduction of 7 lakhs in our contribution of 64 lakhs. I have no doubt that this amount has been carefully and accurately calculated on the basis of the Devolution Rules, which enforce the Meston Award, but it certainly looks small in comparison with a sum of 157 lakhs. But I suppose we must be thankful for small mercies, and hope for more in future. I do not like that motions should be tabled merely on the ground of factious opposition and obstruction. It is that policy of unreasonable obstruction to which

I am fundamentally opposed, that spirit which was openly avowed by the Honourable Mr. V. J. Patel the other day, when he talked about a slaughter-house, and of mesmerizing an Honourable Member like Mr. Jinnah into that slaughter-house. I am prepared to support the bringing forward of a genuine grievance, but I cannot support a motion directed against Government, simply and solely because it is the Government. Sir, we are here to represent our constituents, to have their grievances redressed, and their wrongs righted, but we are also here, and the main reason we are here, is to help on and maintain and carry on the government of the country, in the best interests of the country as a whole, under the Reforms. Let us represent our grievances by all means, and use every effort to get them redressed, but do not vote like sheep at the bidding of a party leader, whether you agree with his policy or not. I will not vote for any motion which is framed on the pretext of a political reason, merely to obstruct the Government of the country. Sir, I do not think that this country can be run by mere talk and cuts; nor can it be run by the party quarrels of which we have been given an exhibition last week on the Honourable Pandit Motilal Nehru's motion. Let us approve of this Budget, only raising reasonable and relevant objections, without cutting figures merely for the purpose of harassing the Government, as the Honourable Finance Member has put a lot of constructive thought into the preparation of this Budget and as the estimates, on the whole, seem to me to be fair. I wish the Honourable Finance Member good luck and hope that the Demands for Grants will be agreed to without any serious cuts.

Mr. H. G. Cocke (Bombay: European): Sir, last year many of us spent a considerable time in going into the budget figures and preparing what we thought were magnificent speeches, which however were never delivered due to the fact that there was very great competition to take part in this debate. I was glad to hear to-day that there will be a strict time limit this year. I think it is very desirable, when we come to discuss the annual budget, that views from as many parts of India and from as many sections of the community as possible should be heard. I should like at the outset to congratulate the Finance Member not only on his Budget this year, but on all the great work he has put in for India since he assumed office. Those sentiments have already been expressed by my Honourable friend behind me, but after expressing them he seemed to me to quarrel with everything Sir Basil Blackett had ever done. However, it was nice to hear from a member of that party some appreciation of the Finance Minister's efforts. Sir, let us look at the figures of the last few years. I do not want to weary the House with figures, but in a debate of this kind we cannot avoid them altogether. Sir Basil Blackett had to face a deficit of 27 crores in 1921-22, 15 crores in 1922-23, and that was brought round to a surplus of 2 crores in 1923-24, and to 4 crores in the revised figures of 1924-25. And although our Budget for the coming year is only expected to give us a surplus of $\frac{3}{4}$ crores, we hope the Finance Member may have fallen into that breach of rules which he himself is so anxious to see avoided in other departments, namely, bad budgetting; and we hope he may have considerably under-budgeted, and that in the end we may find we have an actual surplus of something approaching last year's four crores.

Sir, the Army expenditure has been referred to, and I only just wish to mention one or two points in passing. To listen to some of the speeches,

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one would imagine that the Army was a hobby of the Finance Member and of the Commander-in-Chief, and that we had no neighbours at all who were likely to give us trouble. The Army expenditure has come down from 68 crores in 1921-22 to 59 crores, then to 52 and then to 51 and it is now in the neighbourhood of 52. No one suggests that that is not a large figure, but one has got to take the geographical position of the country into account and not to assume that the Army in this country is a mere hobby of the British element of this country. There is real work to be done, and if calls are made on the Army, say, from the North West Frontier at any time and it is not able to meet them, the first people to criticise the Army administration will be my friends who now criticise the amount of the expenditure.

Turning, Sir, to Customs, the figures are not open to very much comparison owing to the fact of the Steel Protection Act, which, as we know, has pushed up the results very appreciably. I am sorry that some of the taxes which were imposed as a war measure, or a post-war measure, to meet a large deficiency, still remain on, and I hope some review of those articles taxed will be made before the next Budget is presented to us. A motor car is one item which is not looked upon as a luxury now-a-days, and if some help could be given to the motor trade—I do not mean the motor manufacturing trade of India, because it does not exist, and there is no question of these duties being protective duties—it will help considerably the industry of this country; I mean if the motor trade is relieved of part of the import duties.

Sir, I hesitate to turn to Excise because I feel, in discussing Excise, and particularly Cotton Excise, it is very much better that it should be dealt with by some one who is rather more independent than I am. But I do regard it as somewhat of a calamity that the cotton excise under the present mode of finance will not be removed for two or three years. That is to say, if provincial contributions, which of course we all want to see disappear, are to be remitted first, we shall not be able to turn to other things for at least three years, and it is, I think, most unfortunate that the removal of this tax should be shelved. If only the Finance Member could have met this tax to some extent this year by a reduction from 3½ to 2½ or 2 as a start, it would have been a good thing. After all the yield of the tax is only 2 crores, and if he could have taken off one crore of that as a stepping stone to withdrawal altogether, I think it would have been something. I see Sir Purshotamdas shaking his head. He is not content with anything but the whole amount. Perhaps he is right.

Sir Purshotamdas Thakurdas: I do not think it is right to reduce it piecemeal.

Mr. H. G. Cooke: But I think it would be better to make a start. Even though it is not a vast amount, only 2 crores, it would be better to make a start to show that there was a determination to take the matter in hand and not to shelve it indefinitely until the provincial contributions are finally removed.

Turning, Sir, to Income-tax, it is a little regrettable that the figures show a downward tendency. That of course is due to the reduction in trade, but in view of the fact that the income-tax machinery has been very considerably tightened up in the last two or three years, I had hoped

that that would have counterbalanced the smaller receipts, or rather the smaller trading profits. Many of us feel of course that income-tax in this country is not altogether equitable. It is perhaps as equitable as the Department can make it and they are endeavouring to make it more equitable. But I have a certain amount of experience of income-tax collection. I know very well that in India the small trader is very difficult to get at. The small salary earner is automatically taxed by deduction; but the equivalent trader is not taxed and it is very unfortunate that that should be so. The people who trade in the open pay this tax but the people who trade behind do not pay and any steps which could be taken by the Income-tax Department to get over that difficulty will be very welcome to the business world. I should just like to mention in passing the fact that we still have the super-tax levy on companies. The corresponding corporation profits tax at home has been withdrawn. The result of that super-tax on companies at a flat rate of 1 anna over the first Rs. 50,000 is that a private trader, we will say, with profits of 3 lakhs trades pays in super-tax under the graduated scale Rs. 39,000 of his 3 lakhs. If he converts his business into a limited company he proceeds to pay super-tax twice—once at the flat rate and next on the graduated scale paying in all Rs. 51,000. In other words it costs him Rs. 12,000 more in tax as the result of his conversion into a private company. In view of the desirability of limited companies extending as far as possible it is very unfortunate that that should be the state of things. That brings me to the question of the one-man company referred to in the Honourable the Finance Member's speech. That is really a separate question which I quite agree has got to be dealt with. We all know the sort of companies we are up against, a company which is really a private individual. Income is received and put to reserve; it is not paid away as dividends. Of course income-tax is paid on it and the flat rate of super-tax is paid on it; but the individual escapes the graduated tax. He borrows money from the company,—he does not draw out his profits as profits but borrows money from the company which is not the same thing technically; and he only pays income-tax and super-tax at the flat rate. He does not pay any graduated scale however big his income. That is an evil which we all know has been tackled in England and has got to be tackled here. There are probably very few such companies here, but the very fact that they exist necessitates that the matter should be faced.

Turning to the Posts and Telegraphs, I am sorry to find that the working expenses have risen much in the same proportion to the receipts. That of course is a distinct argument against reduction of postal rates. Unless you can run your Post Office at a profit, you cannot seriously consider a reduction in the postal rates. The gross receipts have only gone up from Rs. 9,90,00,000 in 1923-24 to just over Rs. 10,00,00,000 in 1924-25 and nearly Rs. 10,50,00,000 in the 1925-26 Budget. Against that our working expenses have increased from Rs. 9,68,00,000 to Rs. 9,93,00,000 and Rs. 10,42,00,000. So that, unless we can get substantially more receipts and keep our working expenses where they are, we shall not be running the Post Office Department at a sufficient profit to reduce postal rates.

Turning to Currency for one moment only, I should like to throw out the suggestion that now we are going to have the printing of currency notes in a few years' time in India at Nasik. I should like to make a suggestion that the very popular one-rupee notes should be revived and

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not withdrawn. I think the country in view of the satisfactory Budget might face the expenditure of keeping these one-rupee notes in spite of the recommendation of the Inchcape Committee.

Sir, we have recently discussed the question of the Public Debt at considerable length in this House. It has been brought to the front very prominently by the Honourable the Finance Member and it is one which is all important. As an example of the industry and labour of the Finance Member I should like to tell the House that the informal discussion which was to take place as the result of the debate on the Public Debt took place last Sunday from 11 to 1 in spite of the fact that the Honourable Member must have been very tired as the result of his long oration on Saturday. He met us in Committee Room A and we discussed the Public Debt position. I for one consider that the provision made is not a bit too much, but I know there are other opinions and in view of the commercialisation of departments such as Railways the question does arise whether you are treating your capital in the way that a commercial concern would do, and I certainly think that a committee might be appointed to consider this question. But I hope the House will not interfere, or attempt to interfere, in any way with the budget provision which has been made this year for reduction and avoidance of debt. I do admit that this is a very large subject. One grievance I have is that in comparing this great machine—the Government of India—to a commercial concern, one does not know where the money is spent. I am talking now of capital construction. We are told that our debt at the present moment is so many crores. You cannot turn up and find on the other side of the account where that money has gone. Neither can you find out what assets you have which have been purchased out of the debt which has already been paid off. Some sort of national balance sheet would be an exceedingly interesting document. I know that to attempt to turn the Forests Department into assets and liabilities is not an easy thing; but the fact remains that we have a certain amount of debt and we cannot readily turn and see what this money has been spent on. We know also that we have large assets which have been spent out of loans which have already been repaid.

I should like to refer, for one minute, if I am not exceeding my time limit, to Post Office Cash Certificates in which I have always taken considerable interest. The Honourable the Finance Member kindly replied to a question of mine the other day and the figures given are extraordinary. —I mean the receipts from postal cash certificates. I should like to impress upon the House the great importance of this subject because Post Office Certificates with the Government savings banks is one of the chief ways of finding out the extent to which the people of this country are engaged in thrift, apart from buying silver and gold ornaments which perhaps is not altogether thrift. The receipts in 1917-18, when these postal cash certificates were first issued, was 10 crores. They dropped to just over 3 crores the following year, and for the next 4 years, from 1919-20 to 1922-23, the receipts were well under a crore every year averaging about 70 lakhs. Then in 1923-24 they suddenly advanced to nearly 7 crores or 5.29 net. That was a very remarkable achievement and it just shows there is considerable money in this country available if it can be attracted, and the Honourable the Finance Member has been successful in attracting it. But following on that in 1924-25 the net receipts dropped to 4 crores and 60 lakhs and in the budget year 1925-26 they are

expected to drop to 4 crores and 20 lakhs. Well it is not very gratifying that there should be that downward tendency anticipated and one suggestion I have to throw out to the Government is that the limit should be increased in this way—I do not say increase your limit of single purchase beyond Rs. 10,000; do not allow the rich man to come in and buy Rs. 20,000, but let a man who has got Rs. 10,000 buy a further Rs. 2,000 or Rs. 3,000 worth of these cash certificates each year. I know that these postal certificates are issued at very favourable rates; they are income-tax free; but I think the importance of encouraging thrift is so great that it would be a very good thing to allow individuals to increase their holdings by prescribing an amount per annum which may be purchased. I hope that suggestion will be carefully considered.

In connection with the point that I mentioned a moment ago about the question of the debt being repaid, I notice from the figures given in the Retrenchment Committee Report, that although we are only charging Railways the interest on the capital at charge, the amount which has been spent is very much more than the figure given. The amount invested in the Railways is 645 crores and of that 39 crores has been redeemed, leaving us roughly with 606 crores actually to redeem. But it is obvious that if you go on redeeming the remaining capital, in another eighty years or so you will be handing over to future generations a business undertaking—I am assuming of course that the lines are kept in order out of Revenue,—you will eventually be handing over to posterity a going concern free of debt. That is a thing which I say requires careful consideration—this question of the amount that should be provided for the redemption of debt.

With reference to provincial contributions, Sir, I would only like to say this, that I am all in favour of

Mr. Deputy President: The Honourable Member is nearing his time limit.

Mr. H. G. Oocké: Thank you, Sir. I should only like to say in connection with the provincial contributions that I am all in favour of their remission—every one is. But it is a little hard on other methods of taxation that they should be delayed till a day, which may be four or five years hence before they are finally remitted—I am taking a really hopeful view.

I have just one word to say. I appreciate very much the lecture on Exchange which we find in the budget speech. It is very interesting and, I think, very sound; and finally I congratulate Mr. Jinnah and his friends very much on refusing to throw out the whole Railway grant the other day and enabling us to rest assured that we are going to have these grants properly discussed and not thrown out just to suit the whim of a particular party.

Sir Parshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, though my Honourable friend who has just sat down was able to congratulate the Finance Member, I am afraid I must extend to him my most heart-felt sympathy on the Budget that he has presented to the House, even though that Budget be a surplus Budget. My reason for not being able to congratulate him is that the Budget and the Revised Estimates and Accounts submitted with the Budget show what an over-cautious attitude or rather outlook the Honourable the Finance Member

[Sir Purshotamdas Thakurdas.]

must have taken in past years, when instead of the fixed deficits, we now find there were surpluses which for a few years back at any rate have no parallel. I shall go into the figures a little later, but before I proceed further I hasten to give the provinces which have come in for a part of what was due or rather overdue to them my most hearty and sincere congratulations on the tardy justice that the Finance Member has seen fit to do to them: and I can assure them—I will speak on this a little more in detail when the relevant Resolution comes up—but I feel that I must say that I can share their joy and gratification as much as a Member from Madras or the United Provinces or the Punjab itself. I am afraid I must keep out Bengal, because to Bengal I can only extend my sympathy at their inability still to be dependent on themselves and at their necessity of having still to lean on the Government of India and the tax-payer of the Government of India. I have all along felt, Sir, that Bengal and Bombay run fairly close together. If the Meston Award is unjust to Bengal, it has been and is, I must say, wicked in its effect on Bombay and Bombay finances. But, Sir, the Government of India have not yet shown the slightest inclination to recognise that, and the Honourable Finance Member informed us that he did not even include 63 lakhs in his budget this year because he thought it may be an extraordinary receipt. While, therefore, I do not grudge Bengal the assistance they get, I hope Bengal will always give way to Bombay whenever Bombay's case comes up hereafter. (Laughter.)

I think, Sir, that this is the third Budget which the Honourable the Finance Member presents to this House. The two previous Budgets happened to be in each case coupled with a crisis of one sort or another. He had to give grave warnings as to what would happen if the fresh proposals for taxation that he presented were not accepted. In fact the very first year there was a constitutional crisis which I am sure he and the Government of India would have liked very much to see avoided. Whilst, therefore, I sympathise with him, I sympathise with him on the opportunity that has been lost to him of being called what he would justifiably have been called to-day, if what has actually turned out could have been foreseen even with reasonable approximation in 1923-24, namely, the prosperity Finance Member of the Government of India.

Now, Sir, let us see what are the figures revealed to us by the Budget. One rarely goes back to the actuals of a previous year or the Revised Estimates of a current year when one discusses in this House the Budget of the next year. But the peculiar circumstances of this Budget compel me to give a few minutes to an analysis of the actual and revised figures that are given in the Budget. In 1923-24 the Budget was for a 38 lakhs deficit—ordinary revenue. The proposed increase in salt tax was rejected by this House and had to be certified. The revised figures showed a surplus of 206 lakhs—with the windfall, I admit; but still instead of being a 38 lakhs deficit it was a two crore surplus. The actuals are a surplus of 209 lakhs. But that is not enough. Let us analyse the figures a little further. They got 181 lakhs in salt in addition to what they had anticipated. They had 351 lakhs less expenditure in Military, which I admit the Finance Member could not have with much reason foreseen. That makes a total of 482 lakhs against which he does not carry that forward—the Finance Member thinks fit to write off 341 lakhs for the expenditure in Persia—with which I will deal in a minute—and he writes off 82 lakhs

being the discount on the loans of 1923, making a total of 423 lakhs; and he takes 239 lakhs of the surplus to the reduction of debt. The deficit of 38 lakhs which was estimated at budget time naturally vanishes. What is the net result? The net result, Sir, is that between the Budget and the Accounts the difference is 7 crores on the right side. It is a mistake on the right side and if one can be congratulated, Sir, on an error on the right side, I very heartily congratulate him; but I must not be understood to criticise

The Honourable Sir Basil Blackett: I do not want to interrupt the Honourable Member, but I think he has made an error in his figures. I think he has excluded the windfall from the 38 lakhs deficit and included it in the other figure, so that that makes his figure of 7 crores rather big.

Sir Purshotamdas Thakurdas: I am sure, Sir, that you will not allow me to speak a minute longer than is allowed and I shall revise these figures later on if they be inaccurate; but I have had these figures checked by one or two friends of mine. I shall go into them a little later. I make it, a surplus in the actuals of 7 crores instead of a deficit of 38 lakhs. If the Honourable Finance Member says it is less than that, I do not mind leaving out a crore or so, but I am fairly sure my figures are correct.

Let us now look at the Persian expenditure. In the Indian Retrenchment Committee's Report, in the chapter on Aden, the following occurs (para. 28):

"At present political expenditure in Persia is divided in moities between the Indian and Imperial Exchequers, this arrangement being based on the recommendations of the Welby Commission. We are informed, however, that owing to the lack of sufficiently strict definition, the question has arisen from time to time whether important individual items of expenditure are properly governed by this principle of division. We are impressed by the heavy liabilities imposed upon India during the war, and we are strongly of opinion that the present arrangement should be revised without delay."

Now, Sir, last year just at the beginning of the session, I asked for a statement, and I will read the question:

"Will Government be pleased to put on the table a statement showing the items of financial expenditure in dispute between the Government of India and His Majesty's Government, which the Honourable the Secretary of the Finance Department said in the Council of State on the 16th July 1923 in a speech, he would place before the Legislature at a later date?"

The Honourable the Finance Member placed a statement, from which I will read the relevant item. The heading is "Expenditure in East Persia."

The Honourable Sir Basil Blackett: That is quite a different item.

Sir Purshotamdas Thakurdas: There are two items, Sir. One is Expenditure in Persia, that is No. 8, and the other is Expenditure in East Persia, No. 8. I will read only the relevant portion from the Honourable the Finance Member's statement. He said that:

"In view of the military and political interests that India possessed in East Persia, the War Office deemed it bear the entire charges in this region, but it is uncertain whether they are maintaining this attitude. As expenditure in East Persia was not recorded separately in the accounts, it is not possible to state the amount disputed."

The Honourable Sir Basil Blackett: It was not in dispute.

Sir Purshotamdas Thakurdas: It was not in dispute at all? I see. We shall go into this on the Demand for Grants.

Then, Sir, regarding the expenditure on the 1922 loan of 82 lakhs, the Honourable the Finance Member says in his statement that his intention originally was to spread this over a number of years. He however writes it off in the accounts of 1923-24 and does not even think it necessary to explain why there is a change in the procedure. I should have thought that it was a very important deviation from the usual practice followed either in a commercial or in any Government department, and I expect that he will explain why he has followed this somewhat extraordinary procedure except for the purpose of showing that there is less money available for remission of taxation. But I take it that he is as anxious as anybody else to relieve the taxpayer as early as possible.

Now, let us look at the revised estimates for 1924-25. There, Sir, what do you find? The Budget had a surplus of 18 lakhs, and grave warnings were given to this House, that if provincial contributions were required, they must vote for the salt tax at Rs. 2 and not at Rs. 1-4-0. Now the revised estimates show a surplus of just under 4 crores of rupees. I have got an analysis of the different figures, but it hardly matters as I wish to pass on to one or two other subjects.

Let us now look into the items which go to make up the difference between the 18 lakhs and 4 crores. There is 1 crore 10 lakhs received by protective duties. I know that the Honourable the Finance Member in his budget speech said last year that no inclusion was made for it, but when he presented his Budget in March last he must have known what decision the Government of India had come to. I can understand his inability to tell us about this revenue at budget time last year but he would not be ignorant of what was coming after May. However, I only refer to this in passing. But, Sir, there is 4 crores in military expenditure. I wonder if last year also it was as difficult to foresee this drop in military expenditure as in 1923-24. If he says that it was impossible for him to foresee it then I will not doubt it. He, Sir, has 42 lakhs recovered from settlement of claims which the Government of India had. Against these 5 crores 52 lakhs, there is an allowance made for revision of pay of military officers, an allowance made for bounties to the extent of 62 lakhs, and about 25 lakhs for the Lee Commission increases resulting in a net balance of 4 crores 36 lakhs. Now, I submit, Sir, that these two entitle the Finance Member to our sympathy as the very wrong—and if you like it partially, necessarily wrong—estimates made in the two years.

Regarding military, we are informed that the estimates are given to us with the seal of approval of the sub-committee of the Executive Council. I expect to be able to deal with it in detail later on on the Demand for Grants. But I wish to point out that the Inchcape cuts and recommendations have not been carried out as far as the military stores are concerned. The Inchcape Committee said that the country simply cannot afford stores running into the figures of 20 crores. You still hold the best part of the stores to the extent of 16 or 17 crores, whereas the Inchcape Committee strongly recommended that the military stores should be still further reduced to at least 11 crores, and as this has not been done, I think some light is very necessary on this point. But while I am on this subject, I cannot but strongly suggest to the Honourable the Finance Member that in the accounts of every department of the Government of India, the Honourable the Finance Member may very usefully put in a

statement showing the total stocks held by the Government of India in the various departments in the manner that has been done by the Retrenchment Committee at page 292 of their report. I also see no reason why they should not be able to show the approximate level of prices at which stocks are being held in the Government books. You will then avoid the scoop of 2 or 3 crores as was reported last year in the Railway Department. Sir, I would very seriously suggest to His Excellency the Commander-in-Chief whether he would not think it to be useful at least for his own guidance when he makes up his budget estimates. I would also suggest to the Honourable the Finance Member, so that we may not mix up East Persia with the other Persia, that every year when he presents his Budget a statement may also be submitted to this House showing the items in dispute either for credit or for debit, and also items in which there is a claim against the Government of India or a claim by the Government of India awaiting settlement. I do not know to what extent you will find it feasible to do so, but I think it would be of very great advantage to this House if in the Budget Statement statements on these lines are submitted along with budget papers.

I do not wish to refer to the question of Exchange except to offer to the Honourable the Finance Member a statement that I have got prepared of an analysis of the articles imported under Customs. This Statement shows to what extent or up to what percentage the ordinary Indian ryot is responsible, as a consumer, for imported articles, and I wish to place this statement* on the table with a request that the Honourable the Finance Member may have it checked before the Finance Bill comes up. And I should be very grateful if he could point out to me if there be any mistake in this statement. I am sure the House will be very much interested in this statement, and, if we could come to a clear understanding regarding the extent to which the average cultivator of India consumes the imported articles, I expect there will not be much difference of opinion between me and the Honourable Member opposite, much less between him and the House.

Now, Sir, I wish to refer to only one more subject before I resume my seat. I wish to summarise again for the Honourable the Finance Member's criticism the results of the working of the three years as I see them. The net results, Sir, of the working of the three years 1923-24, 1924-25, and the budget figures of 1925-26 to my mind appear to be surpluses of 7 crores in 1923-24—subject to what the Honourable the Finance Member has said—4 crores in 1924-25, one crore in 1925-26—I take the balance of 74 lakhs for 1925-26 and 10 crores reserves and *additional* depreciation set aside in the Railway Department. Not that I mind the last, not that I want it to be reverted. I only want to point out what amount has actually been set aside—a total of 22 crores in all have been set aside out of revenues for various reasons during these years. I need not go into the reasons now as to why it is that the Finance Member is so anxious to set aside such large sums out of the revenues instead of giving remission in the taxation of India. I don't think I need say a word in this House as to the great and very beneficial effect that would prevail in the country if the various taxes which are at present a great burden are remitted. It would make a tremendous difference as far as the masses are concerned. Why does the Honourable the Finance Member wish to retain all this—I know his anxiety to improve the credit of India in the financial market—I share his anxiety to borrow as cheaply as we possibly can—but in three years' time

[Sir Purshotamdas Thakurdas.]

the Finance Member wants us, Sir,—in fact I may say he is not satisfied with his having set aside this 22 crores on one side in order to fortify the credit of India. I wish to ask him, Sir, whether the credit of India is as low as that, or whether the half or quarter per cent. that he may save in borrowing can be compared with the great political and other effect that the contentment of the masses can ensure by giving them a remission in one form or the other.

And finally, Sir, I come to the great question as to why the Government of India have thought fit to delay the removal from the Statute-book of the one duty which marks not only the inferiority but which also marks the humiliation of India. I, Sir, make no hesitation in referring to the cotton excise duty. Every Viceroy and in fact every responsible officer of the Government of India has before now said that it should go. As a matter of fact, I say that the Government stand committed to it, if for nothing else, Sir, on Lord Hardinge's pledge. You have got 22 crores set aside one way or the other; you promised that the excise duty shall go as soon as finances are available? Is it for you to say that the finances are not there? I leave the country to judge.

Mr. Deputy President: I am afraid the Honourable Member's time is over.

Sir Purshotamdas Thakurdas: I will finish in one sentence. I am afraid the excise duty is being mixed up very wrongly, very inadvisedly, with the provincial question and provincial jealousies are sought to be created. Let me assure this House, Sir, that whether I was a Bengali, or a Punjabi or a Burman, I would be as strongly against the excise duty as I am to-day.

Mr. Narain Dass (Agra Division: Non-Muhammadan Rural): Sir, the budget statement of any country is always provoking of much thought; and the Budget of the Indian Government really provokes thoughts even in a man not much given to thinking. Looking at the general character of the Budget, looking at its salient features, I find that it is exactly the prototype of its preceding Budgets. So far as the bureaucracy is concerned, so far as certain fixed principles are concerned, so far as autocracy goes, it has exactly a family resemblance to so many Budgets of years gone by. It is after all a question of view-point. It is not a question of accounting, it is not a mere question of adjustment. The main principle in any financial arrangement is after all a question of the view-point. From the point of view of the people we have to see whether the expenditure is kept up at a lavishly large scale or whether real economy, not mere paper economy, not mere jugglery of figures, but real economy which the man in the street could understand is being practised. Whether looking at the taxable capacity of the people, looking at the financial resources of the country, looking at the people as a whole, we are keeping up expenditure—be it in the Military Department or in the Railway Department or be it in the Administration Department—we have to see whether we take at all into account the actual state of the country. I know, Sir, that in this country certain principles not only of administration but more particularly of finances as well have been imported. And we have to see whether the view of the Assembly as represented here or the larger volume of opinion as reflected in the papers and on the platform, we have to see from year to year whether that has made any change in the general financial outlook of the Indian Government. And, looking at it from this

standpoint, Sir, I am sure, I have a firm conviction that the Financial Statement presented by the Honourable the Finance Member runs exactly on the same lines as have involved our ruin for years past. Now, until the bulk of the heavy burden of additional taxation, which is variously estimated at 40 crores and over, is taken off, until fares and rates on railways go down, until postal and telegraphic charges, which have almost more than doubled recently, are lopped off and brought down to their ordinary level, until we see a reform in the customs duties, which leaving aside the luxuries in one form or another mean the making of necessary articles more dear, unless these radical changes are brought about, can we say with any amount of truth that our financial outlook has improved at all? I don't think there is any improvement whatever. Rather I should say we are going back.

Now, the matter of the salt tax has been so eloquently referred to by Sir Purshotamdas Thakurdas that I need not say much about it, but one point strikes me, and that is that with the lowering of the duty the total volume of consumption has gone up considerably. From a rough calculation I find that the total quantity consumed is considerably over 6 crores of maunds, as against 3·80 crores maunds of the last year. In the budget statement we are referred to "the rush at replenishment of stock" consequent on the lowering of the duty. What is that replenishment? It is only the famishing people who after the lowering of the tax would think of rapid replenishing. When the duty stood at Rs. 2/8, the total consumption fell off considerably. Why is it not confessed that with the lowering of the duty the total quantity of salt consumption in the country has gone up considerably? Is there not the implication, and a very strong implication, that with the further bringing down of the salt duty the total consumption of salt will considerably increase? Really, Sir, from what I know of my people, from what I know of the consumption of this very indispensable article, and how useful it is not only for men but for cattle and for a variety of industries, I can assure this House that with the further lowering of the duty the actual normal consumption has yet to come out. Even with the duty standing at Rs. 1/4, I know that the bulk of our people are stinting themselves in the matter of the consumption of salt.

Then, Sir, about the military expenditure I need not say much. Somehow or other it has come to stay at the charming figure of 60 crores a year. Of course, with the manœuvring of figures, the accounting and adjustment, sometimes calling certain items "net" sometimes "gross," sometimes "true," as if there was an untrue account—the military expenditure is made to appear slightly below 60 crores a year.

Generally speaking, I find that it hovers somewhere about Rs. 60 crores. That means about 50 per cent. of the swollen normal income of this Government. We have often discussed this question. It is a question on which greater authorities have spoken and on which a very large volume of opinion exists. In passing I may simply mention that with peace reigning in the country from one end to the other, with Mahatma Gandhi always teaching the lessons of non-violence, I wonder for what purpose this inordinately large military expenditure is kept up. I need not go into its causes. I need not bewail the fact that Indians are not being taught in the art of militarism. To be frank and outspoken, I think it is to perpetuate the subjugation of the people, to keep them in the same state of slavery for all time to come. There is no other apparent reason for it. With the existing state of things in India,

[Mr. Narain Dass.]

with such willing co-operation, where co-operation is really wanted, I see no reason why this expenditure should be kept up at such a high scale.

Then, Sir, this provincial contribution is really an apple of discord. It is a very ingenious apple of discord thrown on the floor of this House. I do not know what the ultimate decision of this Assembly will be, but I think that the present situation is hardly hopeful. There have already been cheers on the announcement that the provinces will be relieved of a part of their burden. But, Sir, whether it is the Central Government or the Provincial Government, I find that they have the same characteristic of lavishness. If there is the Military Department of the Central Government, there is the Police Department of the Provincial Governments. If we have our aeroplanes and other murderous machines to look after, they have got their lorries to provide for the Police, to ensure speedy transit from one place to another, and their manœuvres in certain districts just to keep order and peace. Well, Sir, so long as the type of Government remains the same, so long as the character of the expenditure remains the same, it matters little whether the money is spent by the Central Government or by the Provincial Government. What concerns the people is a real relief, in those taxes which are crushing out the life of the nation, taxes which mean a real hamper to the people. I submit that this apple of discord announced with an emphasis that it is the considered policy of the Government means an utter disregard of the real needs of the people. Why not reduce taxes in the face of such a heavy surplus? As Sir Purshotamdas Thakurdas just now pointed out, it is not merely a nominal surplus of 2.68 crores or even of 4 crores. It is a very heavy surplus of about 7 crores and odd. Why not use it to reduce the universal, all-pervading taxes?

Then, Sir, referring to the Posts and Telegraphs, I fail to understand why in spite of levying heavy charges the Department is really working at a loss. Have we non-co-operated with the Post Office? Do we not send our money orders? Do we not write the usual number of letters? Do we not use the telegraph to the best of our capacity, our means and our opportunities? We are making the best use of the Post Office. The rates, just to repeat a statement, have doubled in recent years. Why should the Department be working at a loss? Simply because the administration, not only of the Post and Telegraph Departments, but of many other departments, is top-heavy. It ignores the capacity of the people. It simply tries to introduce methods for which this country is certainly not fit. It tries to import methods from America or England or other richer countries and takes no account of the villagers and ryots, the villagers with one meal a day. The introduction of these methods, even though improved by commercialisation of accounts, causes such a useful Department to give such a bad account of itself. The wonder is that we do not find any of the commercial departments of the Government working on sound lines. If I can refer to the Forest Department, I find in a book published by the Department that each acre brings only 2 annas a year. Will any cultivator, will any man who keeps his land for mere grass, will any man who keeps his land for growing trees, be considered at all wise or worth his labours if he earns only 2 annas an acre? And this venture in reserved forests has made the lot of the hillmen really pitiable. If we come to the Railway Department, we find that the utmost that the country get is 1 per cent. on the capital. I would not trust even my nearest and dearest relatives with money if they could assure me only

of 1 per cent. or $1\frac{1}{2}$ per cent, on the investment, and who wanted to spend the rest on improvements and extensions. If I were a rich man, I would not entrust my money on those conditions to anybody. In our country capital is not so cheap. Regarding the biggest of the commercial departments, the Railways, we have been discussing during the last week what they can give and what they are likely to give. It is stated in the Honourable the Finance Member's speech that in some years to come they will of course be able to give a better account of themselves. In spite of that assurance, looking at the present situation, it can very safely be asserted that they are giving a very poor return. The Posts and Telegraphs, another commercial Department, is really working at a loss. So I think that the Government should narrow down the scope of their commercial activity, otherwise known as State monopolies, and leave these activities, to some extent at least, in conformity with what happens in other countries, to private enterprise also. Of course the question will come in how to provide fat appointments to some people. Commercial departments should look really to the worth of the man and the value of the labour he gives and not to any other standard.

Well, Sir, if I may be allowed for a moment to refer to the statement of the Honourable Member from Burma, I assure him that to a certain section of the House it has not been a matter of voting like sheep, as he says. They do not vote like sheep in accordance with the bidding of the party leader. I may assure him that some of the Members at least of that section have got the usual modicum of brains. But they are not independent of their leaders nor of their constituencies. After all, it is a matter of one's conviction, and I may assure my Honourable friend that we are not voting blindfolded. There is discussion, there is argument, and the voting is always done according to one's convictions. After these few words I do not think that I need go further into the depths of this Financial Statement.

Mr. Harchandrai Vishindas (Sind : Non-Muhammadian) : Whilst I find that there is so much conflict of opinion as to whether the Honourable the Finance Member should be congratulated or not upon his budget performance I think I need not make any remarks on that subject which is generally the opening chapter of one's budget speech. But I can say this much that the Honourable the Finance Member appears to be a lucky beggar and that ever since he came in 1923 he has been having good budgets, and bearing in mind that Sir Malcolm Hailey, his predecessor, was for a succession of years a victim of the slings and arrows of outrageous fortune in so much that he had to deal with deficits and bear the odium of imposing unpopular and unpleasant taxation, it is due from the Honourable Sir Basil Blackett to just make use of that good luck in remitting some taxation, a matter which has been urged by some of the previous speakers also, and also in remitting the odious cotton excise duties which have been condemned from their initiation up to now.

Now, after this I propose to deal with certain questions which affect my part of the country, especially the port of Karachi, my city. The first demand in the detailed estimates book which has been presented to us relates to Customs. In that regard I might say that we have a grievance as regards the Appraising Department of the Karachi Customs. Ever since the appointment of the Tariff Board there have been fresh rulings from time to time which have imposed a great burden upon the work of the appraisers. With all that, there is no corresponding increase in the staff which would

[Mr. Harchandrai Vishindas.]

come to the relief of commerce. Now, these appraisers work at the jetties up to 5-30 P.M. and then they go to the Customs House to help the appraisers there in clearing arrears up to 7 P.M. It is not, however, from the point of view of the appraisers or their remuneration that I am alluding to the subject, but it is from the point of view of merchants. The mercantile community suffers a great deal by the delays and inconveniences which are occasioned to them while discharging their customs business by the inadequacy of the appraising staff and I think it is rather a penny-wise and pound foolish policy if this stinting of the appraisers is supposed to be done in the interests of retrenchment, because time is money, especially to merchants and commercial men, and whatever time is saved by them will result in the saving of money which will indirectly benefit the Government resources. The Chief Collector of Customs sometimes ago submitted a scheme for straightening the appraiser's staff, which was unfortunately turned down. Now, there is a certain item on page 5 of the Demands for Grants which might be supposed to be a kind of provision of the nature I demand, but that is not so,—I mean in big letters you have got there "Permanent retention of 2 appraisers and 4 clerks". These appraisers are not the appraisers to whom I am referring, but they are postal appraisers and the quantity of their work has been trebled since the war. If you look at page 22 of the Standing Finance Committee's report, Vol. IV, No 3, my remarks are borne out there. The appraiser's pay is Rs. 200 as appears in this book of Demands rising by increments of Rs. 20 per annum to Rs. 600. As a matter of fact, none of the present appraisers would reach that maximum figure at all because previous service does not count and some people enter this service at the age of 45, and so on. Another point on the question of customs relating to my city is the Indianization of the Service. At present, the permanent Collector is a European and there are three Assistant Collectors who are Anglo-Indians. Of course, the present acting Collector, Mr. Lalkaka, is a Parsi, but he is only acting; but the permanent staff is, Collector European, three Assistant Collectors Anglo-Indians and there is not one Indian. It cannot be said, as is said in regard to Railways and other departments, that any technical knowledge is necessary which is possessed by Europeans and not by Indians. This is a matter in which Indianization can very easily be effected and I do not see any reason why this matter should be delayed considering that all kinds of rosy promises have been made whenever we ask for the Indianization of the Services. Now, Sir, the third point in regard to the Karachi Customs is that the preventive service, which formerly consisted mainly of Europeans and Anglo-Indians, had and still have Government quarters. There is no reason why this privilege should not be extended to the poor appraisers who are all Indians, or if they cannot get quarters they should receive house rent allowance. For the Superior Service, that is, the Collector and the three Assistant Collectors, the Government have sanctioned compensatory allowance on account of the higher rent paid in Karachi. Why should not the same privilege be extended to the subordinate service?

I have exhausted the subject of Customs and I will turn to the next subject, namely, of Income-tax (which is the second in this book) as affecting my city or rather my province. In Sind the income-tax work is done by a special staff of the Income-tax Department in certain selected areas. I understand that from next year the whole of this work will be done by that Department, a part of which is at present done by the Revenue

Department. In Sind there is one Assistant Commissioner, 3 Income-tax Officers, for Karachi town, one Income-tax Officer for the Hyderabad district, one for Sukkur and parts of the Sukkur and Nawabshah Districts, one for the Shikarpur and part of the Sukkur District and one for the Larkana District. In the Budget there is no provision for any extra staff, although the Department is going to take over the whole of the province including all the villages which formerly used to be done by the Revenue Department. In the Standing Finance Committee's report, Vol. IV, No. 3, page 214, it has been laid down that one income-tax officer is necessary for 700 ordinary assesses, or 4,000 salary cases, or 900 reference cases. If this proportion is carried into effect, for the town of Karachi, where there are 3,200 ordinary assesses, there should be at least 2 more officers. As a matter of fact, at present there are only 3 officers for the Karachi city, of whom one again is going to be taken away to Thar and Parkar District. When Mr. Sim was in charge of the Income-tax portfolio and came to Karachi, the Buyers and Shippers Association of Karachi approached him on the subject, and complained to him about the inadequacy of the staff and the consequent delay. In the Hyderabad town the number of assesses is 2,000 and there should be two officers instead of one. Here, again, I want to bring to the notice of the House that it is not for the sake of these officers that I am pleading, but I am pleading the cause of merchants because, when there is not enough number of officers to deal with their cases, they have to put up with a good deal of delay and inconvenience. The same remarks that I made with regard to Customs apply here.

Having said so much so far as some of my local demands are concerned, I now come to some general topics. One of them is the military. I am not attacking the Military Department just at present in the manner in which it is usually attacked for excess in military expenditure because we find from the Honourable the Finance Member's statement that genuine efforts are being made to effect retrenchment in military expenditure. It stood at 87 crores, then came down to 69 and now it has come down to 56 crores. I quite associate myself with the need of praise which he gave to His Excellency the Commander-in-Chief and I think the Honourable the Finance Member also should deserve some credit, for had it not been for his hammerings for retrenchment the saving to this extent may not have been possible. But there is one peculiar aspect of the military question which struck me and I wish to bring it to the notice of the House. We have been time after time advocating the establishment of a military college and I think that some Members who will speak hereafter will deal with this question at some length. We have been times out of number pressing for the establishment of a military college for giving military training to officers. Just now I think one Honourable Member referred to that. But there is one method by which great economy could be very easily effected, without the least difficulty. That is this. Now, you have got this proportion of soldiers in India, namely, 135,000 Indians and 58,000 British. I am speaking subject to correction by Mr. Burdon, if I make any mistake in my figures. Why not substitute Indian soldiers for English soldiers? Now in the first place it cannot be said that soldiers require the same kind of training that is required in the case of officers. They say it takes 30 years for an officer to become Commander-in-Chief. Leave alone that question. That question has been dealt with before, that we should have Indian military officers. Why cannot we convert these 58,000 British soldiers into Indian soldiers? If you cannot do it in a year do it gradually. Do it in 2 years, 3 years or 5 years. Do you realise what the amount of saving will

[Mr. Harchandrai Vishindas.]

be? In the Inchcape Committee's report on pages 288 and 289 we have got figures to show that. I shall not go into the figures for 1913-14, as that is quite unnecessary, but in those of 1922-23, when the cost of one Indian soldier was Rs. 631 and that of a British soldier was Rs. 2,503 per annum which is four times that of an Indian and not five times as some Honourable Member remarked, it means that by converting British into Indians every year you will be saving Rs. 1,800 per soldier, which means that if you take the figure to be converted at 50,000 it makes a saving of 9 crores. If you go on doing it gradually in five years, it will mean a saving of 9 crores in the end. You may do it in one year or two years or three years or five years but in the end you will be able to make a saving of 9 crores. It may be said that the British soldier has got greater military qualities than the Indian soldier, although I do not think any of us will admit that, more especially my non-co-operating friends. But if we assume that for the sake of argument, we have got special martial races who can be as good as the British. You have got the Sikhs, Gurkhas, Pathans and Mahrattas and from these you can recruit. What is this 58,000 in a vast population of 32 crores? You can very easily get it in a year's time if you are inclined to do so. I think this is a matter in which economy could be very easily effected. Now if there is any kind of lurking suspicion in the mind of the Government that by withdrawing British soldiers and replacing them by Indians they shall be relaxing their grip upon the country and upon the administration then they are entirely mistaken. They pretend to give us this responsible government. It means that they should trust us and they should not believe that by the withdrawal of the British soldier the safety of Government and their grip on the administration will be imperilled.

Now, Sir, another subject to which I wish to refer is the subject of the Indianization of the India Office and the High Commissioner's Office in London. It is said that the British officer is brought to India in order to infuse the British spirit in India. I say an Indian officer should be imported into England to infuse the Indian spirit there. We should be administrators in our own houses. I do not say that we should appoint Indian clerks from here because it will be more economical to employ British clerks but I do not see why the superior posts should not be given to Indians. In the first place we shall be masters in our own house. In the second place we shall be sending a lot of young men from here who will acquire a wide outlook and receive training which will fit them for higher service. Now, Sir, how does this work out with regard to the other nations? If you see Messrs. Thomas Cook and Sons' Offices in Paris, they are manned by Englishmen. If you see the French Consulate in London, you will find Frenchmen there. Why should not our offices be manned by our own Indians? Suppose a German or any other foreigner came to look into the India Office and did not find any Indian there, what is the impression that he would get? He would carry away the impression that Indians were entirely unfit to occupy those posts. That is another reason why there should be Indianization amongst them.

Now, Sir, another point that I want to touch is the Ecclesiastical Department. I think it is a grave injustice to the tax-payer of this country to have to pay for the ministrations of religion to Christians. There is no such department for Hindus, Muhammadans, Parsis or Sikhs. (A Voice: "Do you want one?") Certainly not. I want to do away with the one which already exists. We can look after our religion very well. So far as

troops are concerned, a very small establishment consisting of a few chaplains would do. Why are Bishops necessary for that—(Laughter)—and why should there be an Ecclesiastical Department for ministering to the civil section of the population? There is no such agency for Indian officers at all. Of course one could realise that when the British came here there was a necessity for such a department because of the paucity of priests at that time. Now you have got missionary bodies multiplied. You have got Indian Christians like Dr. Datta, our Member here—(Laughter)—who could act as priests and minister to the religious wants of Christians. There is no colour bar in the case of the Ecclesiastical Department as there is in the case of other departments. (A Voice: "Oh, yes.") I have seen Parsi converts to Christianity acting as priests in Bombay. (Mr. W. M. Hussanally: "One of my friends said, 'Indianise the Department'.") There was a Bill brought here by Mr. Lathe who wished to lay down the principle that no priests should be forced upon a man who did not want them. That principle was accepted by the Government then although it was turned down by the Council of State as usual. That being so, why should not that principle be applicable to this case? We do not want these priests and why should we pay for them? Sir, I have done with the Ecclesiastical Department. They have purposely made it non-votable so that we may have no finger in the pie. I shall resume my seat after referring to the cotton excise duty. Of course there are more competent people than myself, especially experts like Sir Purshotamdas who can speak on this subject, but my desire is to reiterate and reiterate, and I wish every Member who spoke after me would do the same, that this great injustice to India, this great scandal, should be removed.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. T. O. Goswami (Calcutta Suburbs: Non-Muhammadan Urban): Sir, as an example of enlightened criticism of the Budget I will read from a newspaper which I got this morning:

"When a Finance Member in the course of a two hours' speech tells you that he has reduced military expenditure, expects to reduce it more, has been able to provide against such unforeseen accident as an adverse legal decision . . . etc. . . . ; can be given minor relief to motorists and Bombay mill-owners, and above all can tell Bengal that for another three years she need not pay up that annual contribution of 63 lakhs and Madras and the United Provinces, the Punjab and Burma that substantial reductions in their provincial contributions will be made; although nearly three-quarters of a crore is left as a surplus against unexpected contingencies; life is difficult for the genial wrecker clad in Swarajist khaddar."

In point of quality and excellence of criticism I think it rivals the renowned statement made by our friend Mr. Kabeer-ud-Din Ahmed two years ago when he proposed the rejection of the Finance Bill.

Sir, I must begin by pointing out that revenue has increased to 138 crores and on the expenditure side I find that, while in 1914-15 the expenditure was 78 crores, the estimated expenditure for 1925-26 is 120 crores. Allowing for the period of war, this increase in expenditure,

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namely, the difference between 180 crores and 78 crores, is an alarming increase and we cannot help feeling that with the poverty of the people in this country the increase in expenditure has laid a very heavy burden on the people of this country. It is a proposition which we have maintained in this House, namely, that India is becoming progressively impoverished. To that Government have not been able to offer any greater challenge than an ignorant, uninstructed denial. We demanded an economic inquiry to study this very question of the poverty of the people. That demand was refused and the feeling on our part which was voiced during the last session of the Assembly demanding an economic inquiry, demanding that an economic inquiry should precede a search for new methods of imposing taxation, was ignored. Then, Sir, I shall point out that the Lee Commission's recommendations have been sought to be given effect to against the deliberate decision of the Legislative Assembly. There is another thing which I shall point out to the Honourable the Finance Member, and that is with regard to increasing staff; and I shall take his own Department. I think he has given us a bad example of economy in this respect. First of all, there is the Board of Revenue which is an entirely superfluous creation. Then there is an increasing number of Financial Advisers (*The Honourable Sir Basil Blackett*: "The recommendations of the Retrenchment Committee"); and Civil Servants are frequently appointed, and in increasing numbers, to hold what are known as, and defended as, "special" posts. If the increase of expenditure in 1925 over the expenditure in 1914 be sought to be justified on the ground of increased prosperity, I must point out that instead of increased prosperity there has been increased poverty in this country.

The Government of India to-day are not performing more functions than they performed in 1914. They are not offering anything more than the elementary safety of life and property. I do not see any extended programme of Government in the direction of improving the health, the physique and the earning capacity of the people. The fact that they have undertaken large obligations in connection with Railways as common carriers does not modify the view which I take, because it must be remembered that the prosperity of the railways is ultimately dependent on the prosperity of the people, and the railways as assets have no value except for the use which can be made of them. The railways in India would be worth much more as an asset if the people of India were enabled to produce more and to live better and thereby enabled to spend more on travelling. The Honourable Finance Member claims that he has reduced military expenditure. For the sake of peace in the happy family of the Government he actually congratulated His Excellency the Commander-in-Chief for the reductions which have been made. But the reductions are deceptive. First of all, as the Finance Member has himself admitted in his excellent and lucid, almost ominously lucid, budget speech, the 50 crore level recommended by the Retrenchment Committee has not been reached. But I say this also, that the figure of 56 crores is itself an understatement and for the following reasons. The savings in exchange, amounting to 70 lakhs, are purely adventitious and in order to compare this military expenditure with the expenditure for earlier years, they should not be taken into account. The credit of 114 lakhs by sale of surplus stores, again, is an item which cannot recur next year and is, therefore, misleading in a comparative statement. Further, I understand, large

sums have been realised by the sale of buildings and barracks in India which cannot be expected year after year. Arrears with regard to adjustments which have brought in, I believe, 42 lakhs will not recur next year. But what will recur perpetually, year after year, is the 20 lakhs which has been provided for free passages and revision of pay and allowances, etc. This 20 lakhs is the reflex effect of the Lee Commission's recommendations, which sum, as we apprehended at one time, has become a reality without the vestige of constitutional sanction. Government never came before the Assembly and asked for sanction, and I must say that I regard it as objectionable that the Finance Member should have sanctioned this item in a mass of figures, without the previous sanction of the Legislative Assembly. It will be seen in this way that whereas recurring military expenses have actually gone up, Sir Basil Blackett wants this Assembly to believe that he has reduced military expenditure. I should also draw your attention,—since I have not enough time now, I cannot go into details—in the List of Demands, to many concealed items under other headings, as for example "Political" and "Civil Works". The famous Waziristan Scheme pervades a large portion of the List of Demands. All that is really military expenditure. And if you calculate all the concealed military items I feel sure that the total figure of military expenditure in this country will be found to be even more appalling than that which has been presented by the Honourable Finance Member.

Sir, a word about Posts and Telegraphs. I wish to say this, that the Post Office profits are to a certain extent eaten up by the Telegraph Department, and a portion of the Telegraph expenses ought to be regarded as an item of military defence as it is justified on military grounds rather than as mere public utility expenditure. The money derived from Posts and Telegraphs,—notwithstanding the pious professions of Sir Basil Blackett that he did not want any revenue from the commercial services,—is spent lavishly on the Superior establishments; and the grievances of subordinate postal employes are not heeded. Sir, if the public is made to pay for postal service on an increased scale, then it is essential that some portion at any rate of the payment should go to people of this country serving in this department. I am sure Sir Basil Blackett will promptly turn round and say that this is not his subject, and he will throw the responsibility on his colleague on his right on the Treasury Bench for internal administration of the Postal Department; in other words, we shall be sent from King Stork to King Log, and I shall then know what to think of the so-called control of the Finance Department over the spending departments.

I next wish to refer briefly to Exchange and Currency matters, to which a considerable portion of the Finance Member's speech is devoted. Of course I leave Sir Purshotamdas Thakurdas to fight his duel with the Honourable Sir Basil Blackett over the fixation of the exchange rate. I do not claim to be an expert in currency matters, but I can see that a higher exchange has stimulated imports and has therefore given the Finance Member about three crores more than he expected from Customs duties. A higher exchange again has involved savings on the expenditure side which the Honourable Finance Member has put at 225 lakhs. This accounts for a total sum of 525 lakhs, which are directly the result of a high exchange. The Babington-Smith Committee not only recommended a two-shilling ratio, but examined the effect of a high exchange generally and recommended the Government to try and maintain the

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high exchange. The Government have tried to maintain it and they tried the disastrous experiment with regard to Reverse Council Bills. Subsequently they went a little easier about it, but as soon as Sir Basil Blackett got familiar with his surroundings in his new office in India he again attempted to raise the exchange and has managed to raise it by about two pence. Sir Basil Blackett's existence as a Finance Member is comparable to the double life of Jekyll and Hyde. As a Treasury Official he has his loyalty to the interests of the British Treasury and the British money market. As Finance Member here he tries to see what he can do in order to balance the Budget and get . . .

The Honourable Sir Basil Blackett: I protest against that statement, Sir. In India I am not a Treasury official; I am the Finance Member of the Government of India and I have no interests other than those of India to consider here.

Mr. T. C. Goswami: I am glad to hear that; I am glad he has now dropped the other personality. I should say that the profits of this exchange are purely adventitious. In the nature of things Sir Basil Blackett does not guarantee a high exchange, much as he would like to; and this large sum of 525 lakhs is, therefore, one on the recurrence of which no reliance can be placed. Further, the interest on the Paper Currency Reserve and the Gold Standard Reserve, which gives him a total sum of 334 lakhs and which he has also used as revenue and attempted to justify, has been regarded by many learned people as unsound. Authoritative Committees, whose recommendations were accepted by the Government of India, provided for this sum to be used for writing down the value of securities from time to time. Still more competent critics have advocated that all sums accruing from the reserves should be set aside by way of reserves in order to enable this country ultimately to go on to an effective gold standard. The figure of 40 millions was settled as a safe figure for the gold standard before the war, but every country in the world has increased its holdings in gold in order to be able to restore or to retain an effective gold standard. In India no such revision has taken place, and with great deference for the ripe experience and close knowledge which the Honourable Finance Member brings with him, I must say that the frittering of resources growing in this manner for dead administrative finance must be condemned. This is our view, and, if he disagrees with us, we have asked this matter to be authoritatively investigated. The Government of India have not acceded to this request for investigation and so long as we have not been convinced to the contrary we must regard the practice of merging this into general revenue as harmful and unsound. It was not without an apology—and then on the ground of dire necessity—that a previous Finance Minister had made similar use of these sums. Sir Basil Blackett, on the other hand, has staked his reputation for sound finance and actually justifies this use. He claims that profits from currency have been used in England in this way. I should have thought that there was a difference between profits arising from the minting of token coins and the reserves of note issue. Can Sir Basil Blackett point out at any time during his experience as a Treasury official to any sums being made available for general purposes of revenue by the Bank of England from reserves which it holds against the note issue?

I do not, however, wish to enter into a controversy, but must hold that if the 525 lakhs, arising partly from exchange, and 334 lakhs from

this interest were not included on the revenue side and if the revenue of the country were taken as it would stand in a normal year and under sound finance, then, the surplus of which so much has been said would be an elusive surplus. It would be actually a deficit budget; and instead of being in the proud position of remitting this and remitting that, Sir Basil Blackett would be rightly pressed by the Assembly to look more closely into the possibility of reducing expenditure; in other words, to discharge his function as Finance Member more effectively than he has been doing hitherto.

Then a word, Sir, about the Meston Award. There can be no doubt that it is a settlement which was arrived at in a hurry. But the findings of the Meston Settlement are being held by the Government of India as so sacrosanct that they cannot be looked into. This arrangement, I am afraid, Sir, serves more a political purpose than a financial one. This is a point which my Honourable friend Sir Purshotamdas Thakurdas brought out this morning. You can in this way play one province off against another. Sir Basil Blackett pretends that he has rendered a great service to Bengal by letting Bengal off the contribution of 63 lakhs during the next three years. He has asked Madras, the United Provinces and various other provinces to look with great suspicion on Bombay. Every time there is a question of more taxation, he brings up the question of provincial contributions as a supporting argument

Mr. President: Order, order. The Honourable Member's time is exhausted.

Mr. T. C. Goswami: Thank you, Sir.

Mr. E. G. Fleming (Burma: European): Sir, I am glad I have been fortunate in getting an early opportunity to have my say in this discussion. One of my Honourable friends the other day twitted me for not saying something when all other provinces were asking for overbridges in the place of level crossings, but I considered that the remarks were of such a frivolous nature that it would be better not to put forward Burma's claims in case their importance was obscured under the cloak of frivolity.

In the first place, I think I must congratulate the Honourable the Finance Member, like many others, on the very satisfactory state of India's finances, from the point of view of the Central Government. The whole of the budget speech points to the finances of the country and estimates in the past having been made on a most conservative basis. We come here and are given a surprise by being informed that it has been found possible to allocate some 423 lakhs surplus funds from the year 1923-24 actuals to writing off the 1923 loan, discount charges and advances to the Persian Government which had been placed in suspense account. I shall refer to these points again later.

Turning to the Budget for the year 1924-25, I cannot help forming the opinion that the Honourable the Finance Member is fairly confident that his estimates are on a very safe basis, but in spite of that it would seem that he has seen fit to allocate 74 lakhs out of the estimated surplus revenue for the year 1925-26 as a margin against possible disappointments and misadventures during the ensuing year.

Similar methods are probably not unknown in business circles, but there are different opinions as to whether such a method should be adopted in dealing with the finances of an Empire, where every anna is required for

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expansion, and the powers of borrowing are so advantageous. I will not say that these methods have the effect of retarding the development of the country but they tend to discourage internal economies and the effect may be far-reaching. There is also the possibility that the knowledge that there is in all probability an ample undisclosed reserve may tend to make the scrutiny of expenditure less strict and open the door for insignificant extravagances, which, when totalled up, will amount to no small sum, in anticipation that the Honourable the Finance Member has something put away for a rainy or rainless day. These excesses in expenditure will in due course come before this Assembly in the form of supplementary grants or re-appropriations. That is my chief reason for being opposed to these large surpluses over expenditure which have been coming to light when actuals are known.

Turning to paragraph 8 in the Honourable the Finance Member's speech, we are informed there how surplus actuals for the year 1923-24 have been dealt with. I am satisfied that the discount charges amounting to 82 lakhs on the 1923 loan should be recovered from surplus revenue of that year. But with regard to the writing off of the 341 lakhs being the amount of loans and advances made to the Persian Government, I am of opinion that this amount should have been dealt with on the basis of say a ten years loan, repayable in equal annual amounts. The amount each year that would have been transferred would have amounted to approximately 34 lakhs. If that method had been adopted, it would have given the Honourable the Finance Member a further 3 crores to dispose of for reduction of provincial contributions. At the same time he would have continued to get the 30 lakhs from the suspense account till the whole account was closed.

Then, Sir turning to paragraph 80 of the Honourable the Finance Member's speech, I can now put forward what I think will cause disappointment to the ensuing year, namely, the case of Burma. Press telegrams state that that Province's Budget for the coming year will result in a loss of 150 lakhs allowing for the reduction of 7 lakhs in the provincial contribution.

At the short time at our disposal since the Budget was presented, it has not been possible to study all the figures in detail, and personally I think that I, like many other Honourable Members, have only been able to consider the figures more particularly affecting my own province. Taking stock of the first four revenue producing accounts, namely, Customs, Taxes on Incomes, Salt and Opium, Burma with a population of approximately 4 per cent. of the whole of the population of India contributes:

15 per cent. of the Customs revenue,

9 per cent. of the revenue derived from Taxes on Incomes,

5 per cent. of the revenue from Salt

approximately, and in view of the statement made by the Honourable the Finance Member on the 27th of January last, the revenue derived from the sale of opium in Burma must be considerable. In addition to this, it is estimated that money order remittances from Burma to India amount to nearly 50 lakhs of rupees per month. This money, I would point out, is earned and remitted chiefly by Indian labourers in Burma, who are being fed by that country, and are practically tax-free, and have surplus funds

to send to their homes, to be expended there. These remittances constitute a considerable drain on the money in circulation in Burma, to the benefit of India.

To return again to Customs, Burma, I submit, is differently situated to the other provinces in that all the imports and exports are either consumed or produced in the province. In addition to that there is the figure recently given to us by the Honourable the Commerce Member when we were dealing with the Land Customs Act in which he showed that a considerable amount of extra revenue was expected to be collected under that Act on the frontiers of Burma from the illicit importation of cigarettes, matches, etc.

Another matter in which Burma has suffered during the last year is her inclusion in the Steel Tariff Bill. This is extremely disadvantageous to my province but very beneficial to the central revenues and the steel companies, none of whom are conducting operations in Burma. I was given to understand that the Government of India were sympathetic with Burma's claim for exclusion but that sympathy does not at present show any sign of taking a material form. An Honourable Member in another place put in a question to elicit the information whether the extra duties on steel, imported under this measure, would be paid over to the Government of Burma, and to the question put, he received an emphatic reply in the negative. The province has now been given remission of provincial contribution to the tune of 7 lakhs of rupees, which is approximately the amount of these extra steel import duties collected in Burma since the Act came into force up to the end of last year. Turning to paragraph 14 of the Honourable the Finance Member's budget speech, we find he estimates that up to the end of this financial year the additional revenue will amount to a net one crore and ten lakhs. That being the case, why not let Burma have another three lakhs and call that the reduction of provincial contribution?

Now to deal with the rice export duty, amounting roughly to one crore of rupees. This all goes to the central revenues. I know that Bengal has a similar claim on the score of the jute export duty but they in the meantime must rest contented with being excluded, by being given a moratorium from provincial contribution.

The hide export duty, which is being gradually increased at the instance of Southern India, has had a most damaging effect on the trade in Burma. In fact, the trade has been practically strangled. The receipts from Burma on the hide export duty were, I think, of such an insignificant sum that they were looked upon as not worthy of consideration. Still, small as it is, Burma desires to be able to market hides, just like any of the other provinces. The stoppage of this trade has, I think I am right in saying, speaking from memory, deprived some forty thousand of the inhabitants of regular employment and means of livelihood.

Turning now to Salt, the Budget's Explanatory Memorandum states that the revenue derived under this head from Burma is chiefly duty on imported salt. This is a fact, and furthermore it is disgraceful, in view of the encouragement that was given to Burmans to expand their operations in salt boiling during the war. Now this encouragement has ceased and in consequence the salt industry is practically dead.

Other industries, such as Wolfram, were similarly treated, and as a result much capital and several sources of employment have become inoperative. Those in Burma who are affected by and take an interest in our provincial

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affairs will appreciate the Honourable the Finance Member's decision to reduce our contribution by seven lakhs and I am sure I can on behalf of my province tender my thanks to him. It is not much but every little helps. It is still far short of what will be required by Burma, in order to balance her budget for the coming year. Last year in replying to numerous Members during this discussion the Finance Member stated:

"But it is quite impossible in my judgment to contemplate reopening that Award until you have at any rate made a beginning with reduction of the provincial contributions."

Well, he has now a proposal to make provision for the reduction from the provincial contributions.

Keeping that in mind, I submit that Burma's financial position is now worthy of immediate consideration and, as I have already suggested, with reference to the Honourable the Finance Member's statement in paragraph 80 of his speech delivered this year, a suitable manner of disposing of the surplus 74 lakhs, reserved against misadventures or disappointments, would be to allocate it to Burma, as from present accounts she looks like being a very great disappointment in the coming year.

I also suggest that, if it is not found possible to cancel all the provincial contributions, Burma should be treated in the same manner as Bengal and be given a moratorium for a period of three years, or until such time as deficit budgets are things of the past.

Mr. Kasturbhai Lalbhai (Ahmedabad Millowners' Association: Indian Commerce): Sir, the installation of Sir Basil Blackett to the *gadi* of Finance Member marks a new era in the history of the finances of the Central Government in two important respects. First, the period of deficit budgets comes to an end and the era of surplus budgets with large amounts hidden here and there to keep up the taxation at its present high level begins. During the Simla Session in September, 1921, Sir Malcolm Hailey, the then Finance Member, observed:

"Let me tell the House that I have in my department men who, if I would allow them to do so, would be capable of putting up a budget which would easily defeat the scrutiny and defy the criticisms of the House. They could conceal among the innumerable items which go to make up one budget a liberal provision of reserves that the House would never detect and which would relieve one of the embarrassing necessity of having subsequently to produce demands for supplementary grants. But, Sir, this is not the spirit in which we frame our budget. We frame our budget with the deliberate intention of asking the country for only so much money as we really need to spend."

I wonder, Sir, whether those men are still in the Finance Department as they are very likely to be, using their knowledge and ability to defeat the scrutiny and defy the criticisms of this House.

In the forthcoming Finance Bill it is proposed to reduce the import and the excise duties on petrol which are at present levied at the rate of eight and a half annas and six annas, respectively, to four annas per gallon and it is estimated to bring in Rs. 60 lakhs, very much the same revenue that we have been getting from this source which is in the vicinity of Rs. 65 lakhs.

I submit, Sir, that this is more or less guess-work which may come true or which may not. But I put it to the Honourable the Finance Member that, when he can anticipate what is likely to be the import or the consumption of petrol and base his budget thereon, how is it that he has not

taken any credit for the advance made to the Persian Government amounting to Rs. 341 lakhs which has been written down in the account of the year 1923-24 and the repayment of which, the Financial Secretary in his memorandum expects "at an early date"? I take it, Sir, that the phrase "at an early date" does not imply anything else but during the current year.

The Honourable Sir Basil Blackett: Will the Honourable Member read the phrase he is referring to?

Mr. Kasturbhai Lalbhai: Yes, Sir.

"The book adjustment does not, as has been pointed out in the Finance Member's speech, affect India's claim to recover from the Persian Government the full amount of these loans and advances, and negotiations are proceeding with them for repayment at an early date."

The Honourable Sir Basil Blackett: That is not what the Honourable Member said.

Mr. Kasturbhai Lalbhai: Does not "at an early date" mean during the current year?

The Honourable Sir Basil Blackett: "Negotiations are proceeding." That is what is stated.

Mr. Kasturbhai Lalbhai: The House may have noticed that this is the third successive year, I mean the year 1925-26, of a surplus budget and still you do not find a word about the cotton excise which His Excellency Lord Hardinge so long ago as the year 1916 gave a pledge "to abolish as soon as financial considerations permitted". But I do not propose to deal with this subject to-day. What I want to point out to the House is that a system has been inaugurated since the past two years and continued during the current year of underestimating revenues and overestimating expenditure at the time of the presentation of the budget estimates so as to show little or no surplus or a small deficit, and when a large surplus is realised, at the end of the year, to utilise it in writing down Suspense Accounts or discount on loans, thus depriving the tax-payer of his due by remission of taxation.

Another point to which I want to draw the attention of the Finance Member is the accounting of the Opium receipts and expenditure. As many Members are aware, the expenditure in case of Opium is in the nature of a loan to the cultivators which is bound to be recovered this year or next. I wonder then, Sir, under which system of accounting these loans are written down as expenditure. The Opium transactions of the Government of India are as much commercial transactions as Railways and Posts and Telegraphs, and I trust that the Finance Member will see his way to present us the accounts under this head in a commercial form.

Sir, it was not only uncharitable on the part of the Finance Member to have said that the exchange at 1s. 4d. will put more money into the pockets of millowners, but was also an unkind cut in view of the fact that he had not a word to say about the cotton excise duty. I need not try to refute such a futile argument as that advanced by the Finance Member, perhaps with a view to prejudice the Honourable Members against the Bombay millowners. If it be true, however, in the least degree, as suggested by the Honourable the Finance Member, it can only mean one thing

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and one thing alone—that the exchange is kept at 1s. 6d. so that the foreign imports of piece-goods may flood the country and undermine the great national industry.

I would like the Honourable Member to tell us whether it is a fact or not that the revenue from the cotton excise in the year 1924 has been largely supplemented by the collection of arrears of the previous year. To those of us who are in the trade it is well known that the revenue for the year 1924, from cotton excise represents 14 months' collections and not those of a year. When you further take into account the drop in the price of cotton piece-goods to the extent of about 15 per cent. due to the fall in the price of cotton and poor trade, it is difficult to believe how and wherefrom the Finance Member is going to get his Rs. 2.15 lakhs estimated for the year 1925-26. Even if the cotton excise were to continue, I do not see under these circumstances how it can yield more than Rs. 1.60 lakhs at the very most. The Honourable the Finance Member is alone expected to know the reasons for arriving at the figure of 2.15 crores from cotton excise.

I wish the Honourable the Finance Member had not deemed it necessary to refer to the export of Indian grey piece-goods, as it is little short of a misrepresentation of the export trade in textiles. His reference, however, compels me to give a few figures which will convince the House that not only are we losing ground in the Indian market, but our export trade is captured by Japan. While there has been an increase of about 2 million yards in export of grey piece-goods, the decrease in coloured and other varieties has been more than 11 million yards.

I would very much desire that Government Members at least refrain from making statements which they know are but partial truths.

Mr. M. V. Abhyankar (Nagpur Division: Non-Muhammadian): Sir, I stand to censure the Honourable the Finance Member, and not to congratulate him as many amongst us have done before. I stand here to censure him for his budget exploit, for really it is an exploit in another sense of the term, I mean the exploitation by Britain of India, and if the Honourable the Finance Member is a lover of truth, which I may safely presume him to be, he will more appreciate my censure than the praise of those amongst the Indian section of this House like the Honourable Mr. Naidu from Burma. Mr. Naidu was so gushing in his praise of the Honourable the Finance Member that had he been sitting next to him, he would have actually fallen on his neck. (Laughter). I assure the Honourable the Finance Member that if, by a magician's wand, to-day the Germans were to take the place of the British in this House, that praise would be still there just as much as it is with regard to him to-day. I further tell the Honourable the Finance Member that this voluminous Budget that he has presented us is not even worth the paper it is written upon, as this House will see if it were simply to view it from the national standpoint. They tell us that they have given us railways, they tell us that they have given us telegraphs, and on numerous occasions we have heard many a Member of this House—and I am sorry to say many an Indian Member of this House—praising them for all these railways, post offices and irrigation. Why? If we had been free for the last 150 years, do you mean us to understand that we would not have had all these railways and all these post

offices and telegraphs and all this irrigation? And would we have had them in the form in which we have them to-day? We would have them thoroughly Indianised. In fact, there would have been no question of Indianisation then. Not only that, we would have also produced all the material that is necessary for those railways. What is the good of having a railway or what is the good of having a post office if you have to go to a foreign country to purchase materials for them? Revenue spent in a country in which it is raised is a thing totally different from revenue raised in one country and spent in another. In the former case, it is returned to the country through the industrial and labouring classes, in the latter case it is a dead loss, it might as well be thrown into the sea; nothing better than that and in this country, Sir, it is not even thrown into the sea; but it is thrown far far across the seas even beyond the possibility of salvage. If you were to see the whole scheme of this Budget you will find nothing else but the enthronement of bureaucracy in the name of the people of India. India, Sir, to-day is being administered as an estate, not as a country. Then, Sir, we are told that we were given all these things by this benign Government. But what have they taken from us in return? They have taken the very life blood out of us, they have taken our nationality, they have taken our very manhood, they have emasculated us, they have denationalised us. If 150 years are not sufficient for you to turn us into a martial race assuming for the sake of argument that we were never one, although you knew it to your cost in times gone by, I do not think that even centuries and thousands of years will do for you to do that. It is no use your talking of self-government for India. It is no use your accepting the thing if you do not mean it; it is no use your accepting it unless you act upon it, and it is no use your acting upon it unless you act up to it. I want you to act up to the promises which I can very well say are nothing better than delusions and hollow promises to the people of this country. Then, Sir, the Honourable the Commerce Member told us the other day that these railways, telegraphs and post offices which are dealt with and of which so much is made in these Budgets are for our good. He further asked us what we would do if they were not there. I challenge him to stop the railways. I wish he stops the railways and then let him see what happens in this country immediately after he stops them. I wish he does that. Is it not necessary for you, while talking of railways, while asking us to spend for telegraphs, to do something that we may be able to produce the material that we want in order to supply these railways and these telegraphs? So many people in this House have talked of Indianisation of the army. But most of them have forgotten that we not only want Indianisation of the army, but we want also the production of rifles in this country. To-morrow if the army is Indianised they might again turn round and say that we are not yet fit for self-government because we are mere soldiers after all and what could we do without producing the rifles ourselves or without the rifles from England.

Mr. E. Burdon: May I explain to the Honourable Member that the rifles used in the army in India are made in India.

Mr. M. V. Abhyankar: If the rifle is made in India I should also like that the cannon, the howitzer and the aeroplanes should be made in India. I should like the battleship to be manufactured in India. There is nothing to prevent you from doing that. Surely, Indian labour can do it. If we have not the brains enough to occupy the higher posts in the works you may do that for the time being, but let at least a beginning be made in

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this country to manufacture these things. To-day you want to give us things piecemeal. You will say, "If you have the army you haven't the arms." If we have the arms then you will say, "You have no aeroplanes." You want us to move in a vicious circle like a dog moving round to catch his tail. First you tell us "You have no national army and therefore you are not fit for self-government." Then you say that we cannot possibly have an army unless and until we have self-government. It is no use disguising the thing. Things act and react upon one another. Assuming for a moment that we have got to be thankful to the British administration and to the administration which prepares these budgets, for all these conveniences, for all these customs, for all this taxation, for all these departments that they are going to give us, or that are being given to us or rather thrust down our throats in this country—supposing we have got to be thankful to them for all that, what is it I say that they take in return from us for it? They take away our very freedom, our liberty. Take the latest thing, the Bengal Ordinance. Surely no Member in this House can quietly, safely, coolly, logically and rationally look at this Budget so long as that sword of the Ordinance is hanging over his head. What is that Ordinance? It is a thing which denies individual liberty at various points, and makes us suspects in our own country for nothing worse than loving it. It keeps the Criminal Investigation Department supreme. If anybody were to ask me if there is any authority superior to the C. I. D. of this country, I would have no hesitation in saying, "My dear fellow, it is not on this earth." If a man really wants to avoid the clutches of that Ordinance the best thing for him to do would be to go to the head of the C. I. Department and ask him, "Sir, what are precisely the ways of patriotism which you will tolerate? Which is the way I should proceed in this country so that I may be safe from the attentions of your Department?" And even that is not sufficient if a man really wants in these days to keep himself out of jail. It will be he alone who takes no part in the public movements of the country, quietly pays his taxes, *salam*s Government officials all round, retires to his house, says his prayers and goes to bed, who perhaps will be out of the clutches of this Ordinance and this peace and order.

If one were to turn to the heads of Demands in this Budget one might see the whole futility of it. I would only refer to some of them though I could refer to them all in the same category. This Sir, is the Executive Council. We are supposed to provide money for the Executive Council. This Executive Council is nothing better than the executing Council of this country. They are sitting there from day to day executing the people of this country. Then there are the Legislative Bodies which are nothing better than debating societies which are provided for children and they are called legislative bodies as if they had the power to pass any legislation. Then there is the Department of Education. Health and Lands. What is the industrial education, what is the naval education, what is the military education, what is the commercial education that budget after budget for the last 150 years has been providing for? And health—I do not think I need say anything about it. I should like to ask the Honourable Member in charge of Health to look back to the health of India 150 years before and to look at the health of India to-day, and he will find whether he sits there to be condemned or to be praised for the administration of his Department. Then there is the administration of justice. Courts which you ask to administer laws which are anything but laws, which are rank injustice, which are

anything but human—it is those laws that our courts are called upon to administer, and it is administration by these courts that is called the administration of justice. It is for administration of that justice that we are asked to provide money, for the iniquitous administration of the invidious Arms Acts that you are asked to provide money. Further, I find Mines—all these big heads Meteorology, Geological Survey, Botanical Survey, Zoological Survey, Archæology, Mines. For whom? You may have these surveys so that the foreigner may exploit India. These surveys are no good to the people of this country. How many mines are owned by Indians. How many mines are there whose produce has gone to the industries of this country to be manufactured into articles and to be returned back in a finished form to the people of this country? (Mr. Darcy Lindsay: "What mines?") All mines. What is done to the manganese mines that are in the Central Provinces? Where does all the raw material go? It goes to foreign lands carried by our own railways, to be brought back by the same railways in a finished form and India is exploited in this manner. (Mr. Darcy Lindsay: "Why don't you use it yourself?") You leave us alone and we will tell you how we will use it. You just give us a chance and we will show how we use it. We had been using it, we had been using the things in such a way that you had to tax the Indian muslin in England to an extent which I need not tell this House. We had been using our things. We had been using our raw materials and you very well know how we had been using them. Then there is Stationery and Printing. Take item by item. Where do all these printing machines come from? From England. I suppose that at the rate we are proceeding to-day for a thousand more years we shall have to look to England to supply us with printing machines. We may print things here but the printing machines we have to import from England. What is the provision made in this Budget, I should really request the Honourable Member for Finance to tell me, which deals with nationalisation, which enables the people to be masters in their own home and not dependent upon anybody else and to stand on their own legs?

The Honourable Sir Basil Blackett: The provision for building the Security Printing Press at Nasik.

Mr. M. V. Abhyankar: I can not hear you. Where does all the paper come from, where does the machinery come from and where do the dies come from for the last 150 years? Have you been teaching us all this? Have you been teaching us self-reliance? Have you been teaching us to have our national army or have you been scrupulously excluding us from it? If that is the way you want to proceed about the business, we cannot in self-respect at least concede your Demands for Grants which are nothing else but commands. There are people, I am sorry to say, amongst the Indians in this House who want us to look at the Budget rationally, logically. Rationally with whom? Logically with whom? I have not heard of freedom being won by logic, unless history were to be changed and India were to make history. They think that we are fighting a case in a court of justice where you have to convince the court about the logic of it. Our opponents have logic much more than we and they practise their logic. They do not simply talk as we do but act. In view of all this, I hope Members of this House will take a broader view of this affair, will take a national view of this affair, and when the right time comes will refuse the Demands rather than try to be logical with those who understand logic much more than we do. I would ask my countrymen to

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remember that there are fallacies in logic also and there is such a thing as a logical fallacy.

Maulvi Muhammad Yakub (Rohilkhand and Kumaon Divisions: Muhammadan Rural): Sir, I will be considered lacking in courtesy, if I did not join the Honourable Members in paying a tribute to the skill and vigilance of the Honourable the Finance Member, in preparing the Budget for the year 1925-26 and for the lucidity with which he has placed it before the House. In fact he made the dullest subject of finance as interesting as poetry and in hearing his eloquent speech, on the evening of the 28th February for over an hour and a half, I believe there was none in the House who felt the slightest strain or discomfort.

However, I fear I cannot conscientiously congratulate this House or the country at large on the introduction of a surplus Budget when I find that this House, representing the people of the country, has only nominal power over the finances of the country and out of an expenditure of Rs. 180.44 crores, only a sum of a little over Rs. 25 crores, that is about 1/5th of the whole budgeted expenditure, is votable by this House, and the certification power of the Viceroy reduces even this voting power of the Assembly to a nullity. No wonder if the despair caused by such a hopeless state of affairs and the delay in carrying out the promises of giving the people of the country at least some responsibility in the management and the control of the affairs of their own land may result in creating the greatest dissatisfaction and the consequences that follow in its train.

In making a review of the Budget Statement of this year one cannot pass without recording a strong protest against the acceptance by the Government of India and the Secretary of State of the major portion of the Lee Commission's Report in the teeth of opposition from the Assembly, the provincial Councils and the public at large. An utter disregard of the popular feeling like this demonstrates beyond any doubt the total importance of the Reforms, enunciated by the Government of India Act of 1919, and a forecast of the majority report of the Reforms Inquiry Committee is considered to be in the direction of adding insult to injury.

The acceptance of the Lee Commission's Report has only this year added a sum of Rs. 45 lakhs to our already extravagant military expenditure, and an increase in the emoluments, allowances and the pensions of the Indian Civil Service must have cost more. It is really very disappointing that, although the embarrassment caused by the Great War, has disappeared and the aftermath of that violent arm has also subsided and India has resumed its normal conditions, still the Government maintain the same high level of taxation which they considered to be necessary just after the war. And if abnormal taxation is required to meet the expenditure of normal times, what would be the fate of the poor Indian if another war trumpet is blown? I simply shudder to think of the national bankruptcy of India. I maintain that it is not a justifiable course to maintain taxation during the time of peace at the same high level as it was after the time of the war. Such a continuance of a high level of taxation and such ceaseless additions to the burden of the suffering people is, probably, unprecedented in the annals of finance. During the past 11 years the country has passed through a severe phase of agricultural and industrial depression, and yet it has been called upon to bear the same burden of high

taxes in order to satisfy the insatiable luxuries of the bureaucracy. The obligation to remit taxation in years of assured surpluses goes with the right to demand additional revenues from the people in the time of abnormal conditions and unless the super-tax, the increased tax on salt, the increased rates of the railway fares and the freight and the increased postal and telegraph rates, are not brought to the pre-war level, there can be no peace in India and the Honourable the Finance Member cannot claim to have given any relief to the country.

The fact that there is no peace in this country is fully demonstrated by the military budget before us. We find that in spite of the great inclination of His Excellency the Commander-in-Chief towards economy, for which he has been deservedly thanked by the Honourable the Finance Member, we are astounded to find that the military expenditure is budgeted at Rs. 60.26 crores, that is out of a total revenue of Rs. 133.68 crores, nearly half goes towards the maintenance of the army. Adding to these large sums of money, spent upon strategical railways and other works, connected with military purposes, the grand total of military expenditure would go much higher than 50 per cent. of the revenue of the country. Only the standing army of the country is responsible for an expenditure of 29.26 crores. I can hardly imagine that in time of peace, any country in the world would be allowed to spend more than half of its revenues on military expenditure. But, Sir, military predominance can never give peace to a country. You can hold India by the force of your machine-guns, aeroplanes, and fire-tanks, but you cannot give her peace and tranquillity by those means, which can only be achieved by a real change of heart, and a guarantee for complete self-government suitable to the conditions of the country. It has been repeatedly pointed out that Indianization of the Army is one of the most effective means of reducing the military expenses, and only a few days ago a Resolution was moved in this House by the Honourable Mr. Venkatapatiraju, to the effect that early steps be taken for starting a well-equipped military college to train Indians for the commissioned ranks in the Indian Army.

The object of this Resolution was the Indianization of the Army and consequently a material reduction in the military budget. But it is very disappointing that the Government could not see their way to accept the Resolution. This shows that the Government do not at all care for the popular feeling in the country and this shows that, although the Indians have given the strongest proof of their loyalty during the great war, still the Government do not trust the people of the country. The phenomenon is really heart-rending.

Sir, I do not wish to enter into the details of the Budget, as I said last year, that I did not claim to be an expert in finance. But there are some other points about which I wish to make a few observations. One of them is that in the matter of the reduction of the provincial contributions. My province, the United Provinces, has not received equitable treatment in this matter. We knew it very well that the United Provinces was the second unjustly treated province by the Meston Award and the financial position of the province, to-day, is so bad that the estimates for the year, 1925-26, show a deficit budget. Yet we find that our provincial contribution of 240 lakhs of rupees has been reduced only by 56 lakhs, that is to say a little more than 1, while besides Bengal which gets 63 lakhs, as the price for the introduction of the Ordinances and Regulations, Madras has been granted a reduction

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of 126 lakhs out of 348 lakhs, that is to say a little less than $\frac{1}{3}$, and the Punjab 61 lakhs out of 175 lakhs, which is also a little less than $\frac{1}{3}$ of the total contribution. For several years, the Government of the United Provinces has been undergoing severe financial embarrassments, new taxes have been levied, the stamp duty and the court-fees were enhanced two years ago, and the former of the two still continues at the enhanced rate. Education is suffering for want of funds and several other important schemes of vital importance to the province remain suspended. The civil-court buildings in my native town, Moradabad, are inefficient, some of them highly uncomfortable. A scheme of new buildings was sanctioned several years ago, and estimates and plans were prepared, but it has not yet been found possible to provide money for this very urgent work. I take this opportunity of strongly pleading the cause of my province. I urge upon the Honourable the Finance Member to favourably consider the claim of further reduction in the contribution of the province at the time of preparing his budget for the year 1926-27.

I also note with great disappointment that grants to the two denominational universities of Benares and Aligarh were not included in the additional expenditure on beneficial services. I do not grudge the increment of grants to the Islamia College in Peshawar and other colleges in the North West Frontier Province; I am really very glad that this has been done, and I heartily congratulate my revered friend, the Honourable Nawab Sir Abdul Quaiyum, on the success of his efforts. I consider it highly necessary that the Government of India should spend more money for the promotion of our educational interests. But giving preference to it, the North West Frontier Province over the universities of Benares and Aligarh, which impart education to the students of all provinces in the country, instead of being confined to any particular province, shows that the Government become more readily inclined to satisfy those who are liable to resort to violence than those who put up their demands in a peaceful and respectful manner.

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

I earnestly hope that the Honourable the Finance Member will see his way to meeting the claims of the two sister universities at the time of putting Supplementary Grants before the House.

Another useful department which has not received any justice at the hands of the Honourable the Finance Member is the Department of Archaeology. This department, the creation of which is the only redeeming feature of Lord Curzon's Viceroyalty in India, is the custodian of the ancient glory of this ancient land. It preserves and keeps intact the fine architecture of olden times and safeguards the precious monuments which command great respect not only of the people of India, but of the millions of visitors from foreign countries, who take long journeys simply in order to see these relics of the ancient civilization of India. I raised my voice last year in calling attention to the paucity of the funds at the disposal of this Department. I am extremely disappointed to find that even this year, when the Honourable the Finance Member claims to have the satisfaction of providing additional sums for research and other beneficial services, this most deserving department remains unprovided for.

The Honourable Sir Basil Blackett: Has the Honourable Member overlooked the fact that an increase of Rs. 3 lakhs has been provided?

Maulvi Muhammad Yakub: That is very little. It is not at all sufficient for the ordinary repairs to the old monuments. It really speaks volumes against the unvarnished characters of British rule in India to find that a paltry amount of Rs. 16 lakhs is budgeted for Archæology, most of which goes in the salaries of the highly paid European officers. Having my faith in the family motto of the Honourable the Finance Member, I also hope that next year he will pay more attention to the importance and needs of this greatly neglected department.

I also feel very much disturbed to find that the excise duty on cotton has not been still abolished in spite of the clear demand of the representatives of the country embodied in a Resolution passed by this Assembly in September last.

I have said my say, Sir, and now it only remains for me to conclude my observations with the remarks that we are aiming at nothing revolutionary, our programme does not include even to paralyze the Government by the constitutional method of obstruction.

Pandit Motilal Nehru: Who is the "we"?

Maulvi Muhammad Yakub: I mean the Independents; not the Swarajists. All we are immediately asking for is only an instalment in the direction of responsible self-government. The time is more than ripe for such an instalment being conceded. If that is also denied, the responsibility of the results that may follow will be upon the Government and not upon us. I appeal to the Government to realise the great responsibility that rests upon them in the matter. Already the difficulties have been greatly aggravated and unless radical remedies are applied at once, everything might be too late.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, last year in my budget speech I ventured to congratulate my Honourable friend Sir Basil Blackett on having succeeded after all in bringing order out of the financial chaos of the Government of India and for having succeeded in inaugurating an era of surpluses. But on looking through the accounts of the year 1923-24, as finally closed and presented to us, I find that his treatment of the finances of that year was evidently due to the over-nervousness of a new-comer in the Government. He foreshadowed a deficit of four or five crores of rupees in the Budget of the year 1923-24 and advised His Excellency the Viceroy to take the extraordinary step of certifying the salt tax in opposition to the considered opinion of eminent Indian non-officials that such an enhancement was not necessary in the then financial state of the country. But we now find that the accounts as disclosed have proved that his critics were right and he was absolutely wrong in his estimate of the financial position of that year. As has been pointed out by my Honourable friend Sir Purshotamdas Thakurdas the real surplus for the year 1923-24 is much greater than what the Honourable the Finance Member calls the realised surplus. Though it is shown in the Budget that the realised surplus of the year 1923-24 is 2.59 crores, the real surplus is 6.62 crores. For in the revenue of the year he has written off 82 lakhs being discount charges on the 1923 loan, and 3.41 crores being the advance given to the Finance

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Government, which advance will be recovered in course of time. Sir, in his last budget speech dealing with the discounts at which loans are issued my Honourable friend has observed in paragraph 28:

"Of the total on the 31st March 1924 11.88 crores are due to the discount at which some of the loans were issued. This liability is treated as an interest charge under our system of book-keeping and is being extinguished by annual appropriations from revenue within the period of each loan."

Now, Sir, may I ask what is it that has led him to deviate from that healthy practice, that proper practice and write off in the revenue of 1923-24 the discount of 82 lakhs of rupees on the loans issued in the course of that year. Evidently my Honourable friend felt that it was not proper to show a big surplus, and he thought it was prudent to write off from the current revenue of that year as much as possible. I cannot explain on any other basis the reason for his having written off the 3.41 crores of rupees advanced to the Persian Government. He justifies this method of accounting and dealing with advances by the practice which obtains in the British Treasury. I do not pretend to know what is the practice which obtains in the British Treasury. Perhaps the British Exchequer with a budget of a thousand million pounds might treat such advances lightly and afford to write them off from current revenues; but I for one, applying a true canon of finance, would certainly condemn such a practice whether that practice is being adopted by the British Treasury or by the Government of India. Last year we cried ourselves hoarse that some relief might be given to the provinces. Some of us suggested specific means and others suggested that, if only that huge reservoir of military expenditure could be tapped a little, some amount of relief might be given to the provinces. No heed was given to our cries. We were told that the finances of the Central Government had not reached a position which would warrant the Government of India giving relief to the provinces then. But what do we find in the Budget? Sir, we find a realised surplus of nearly 4 crores of rupees leaving aside the windfall of 2 crores. This 4 crores is mainly accounted for by a saving of nearly 392 lakhs of rupees from military expenditure. If only the Honourable the Finance Member had scrutinised the military expenditure last year with that amount of care with which he seems to have scrutinised it this year, surely he might have induced His Excellency the Commander-in-Chief to effect this economy and given the much needed relief to the provinces. My Honourable friend said that a surplus budget is an embarrassing budget for the Finance Member; but, Sir, what is the meaning of a surplus budget? It means that the Government have taken from the tax-payer more money than is really necessary for the expenses of the State. I hope my Honourable friend has heard of a book called *Arta Shastra*, one of the ancient treatises on political science. There is a chapter in it devoted to "the duties of the Finance Minister of the King", and the author says that if the Finance Minister of the King collects from the people more revenue than is necessary for the purposes of the State he must be punished by having his nose cut off. I would ask my Honourable friend to realise what would have been his position if he had lived in the days of Chanakya.

The injustice done to the tax-payer in getting a greater amount for the State than is absolutely necessary is enhanced by the way in which the current revenues are being dealt with. Sir, the other day on the Resolution of my Honourable friend Mr. Jannadas Mehta about the provision

made for the amortization of the public debt we had a very full discussion on the matter and I do not propose to go at this stage into the details of the scheme. Sir, the position taken up by the Honourable the Finance Member in providing very nearly 5 crores of rupees as a sinking fund really comes to this, that in his opinion the Government of India have reached their maximum capacity for borrowing in the market, and therefore he says that we ought to finance a part at least of our capital programme from current revenues. And when I asked him the other day whether he seriously meant to suggest that the credit of the Government of India was low in the financial world he said "Yes". But I would refer him only to the statement he himself made last year in his budget speech. In paragraph 24 he says:

"The improvement in our position is happily reflected in the improved market prices of all our rupee securities";

and then he goes on to give the exact position of the rupee securities of the Government of India in the money market. I ask him, Sir, does that show that the credit of the Government of India has suffered in the money market? (*The Honourable Sir Basil Blackett*: "Does it show that it cannot be further improved?") But it can be further improved if you wipe off all your debts; therefore why not repudiate all your debts or impose a capital levy? Is that a way to improve your credit? (*The Honourable Sir Basil Blackett*: "No, it is not!") As one of the great financiers has said,—sinking fund really comes out of a surplus and you cannot have a surplus when there are other more pressing demands on the revenues of the country. I am afraid, Sir, that the debt position of the Government of India, as disclosed to us in the budget speech and as presented in the accounts of the Government of India, is absolutely misleading. We are told that the Government of India have got liabilities to the extent of nearly 1,000 crores of rupees. Certainly the figure is a staggering one; and we are asked by the Honourable the Finance Member, "Is it extravagance to provide 4 or 5 crores towards our sinking fund to amortise this huge debt of 1,000 crores?" But if the position as regards the debt of India is to be realised in its true perspective, you must separate from your debt account that portion of your debt which is invested in productive enterprises, and that portion of your debt which has been lent to the provinces. In this connection I heartily welcome the proposal of the Honourable the Finance Member to have a special Provincial Loans Fund Account and also the proposal which he has foreshadowed in the Budget to institute a special fund to provide for the railway debt. I heartily welcome that proposal, because if that is done then we shall have a true perspective of the debt position of India.

There are very many ways of estimating the burden of debt of a country upon the tax-payer. One of the best means in my opinion is to find out how much exactly the tax-payer pays towards the interest charges on the debt. During the discussion on debt redemption, the Honourable the Finance Member said that excluding the interest from the Gold Standard Reserve and the Paper Currency Reserve, the net amount of interest paid by the Indian tax-payer on the debt of the country in the year 1924-25 was Rs. 7½ crores. Well, Sir, I have analysed the figures for 1925-26 and this is what I find. The total interest both on the funded and unfunded debt is 42.84 crores—I am giving round figures. We are getting from our productive enterprises 29.17 crores; from the Gold Standard Reserve and from cash balances and other miscellaneous sources

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we are getting 8.60 crores; and from the railways, we are getting a net contribution of 5.24 crores; so that 38.01 crores have to be deducted from the gross interest that we pay, and that leaves a balance of 4.33 crores of rupees. That is really the interest the tax-payer in India is paying on the debt of the country, and I ask, Sir, is it necessary to provide for a debt which pays 4.33 crores of rupees as interest a sinking fund of very nearly 5 crores? Is that what you would call sound finance? If the interest that the tax-payer pays for the debt is calculated say at 5 per cent. the capital value comes to under 100 crores and that I contend is the real debt position of the country. If that view is correct, the provision of 5 crores this year towards the sinking fund cannot in the least be justified. As I ventured to state on another occasion, it is tantamount to committing a raid upon the revenues of the country when there are really a great many claimants upon any surplus that may accrue in the year.

Sir, it used to be said once that the finance of the Government of India was a gamble in rains and railways. By effecting the separation of the Railway Budget from the General Budget of the country, we have succeeded in eliminating the element of gamble in railways, and thereby to a very large extent the element of gamble in rains also. But unfortunately, when the two gambling elements have disappeared, my Honourable friend, Sir Basil Blackett, is introducing a third element, that is the gamble in exchange. The whole Budget is based upon the assumption that the exchange is going to be at 18d and if the exchange goes down, this fine house of cards crumbles to pieces. All his calculations will prove futile, and his so-called surplus budget will turn out to be a very great deficit budget. Some one said that prophesying is the most fruitful method of imperilling one's reputation. But my Honourable friend the Finance Member is evidently trying to build his reputation upon the prophecies that he makes. Not only does he make a prophecy, but he ventures to act upon his own prophecies. Fortunately for him his prophecy had proved true last year and his calculations have not gone in vain. But I am afraid, Sir, that so long as this element of what I call a gamble in exchange is continued in the Budget, I do not venture to call this budget a sound budget. The only remedy is to keep the currency of India on a gold standard. When we talk of a gold standard, the Finance Member speaks as the Delphic Oracle. He does not give us to understand whether he is really opposed to the gold standard or whether he is enamoured of a gold exchange standard. Sir, in discussing the question of exchange, my Honourable friend has attempted by an elaborate argument to refute what he calls the common fallacy that a high exchange rate operates detrimentally to the exporter and to the advantage of the importer. His own argument in refuting this fallacy, which he says is based upon a half-truth, is based upon two other half-truths and upon the simple refutation of the charge levelled against the Government of India that the finances and currency of the country are not managed in the interests of India as one would like. Well, Sir, I do not propose to level any charges at the Government of India in their financial policy or currency policy. But I ask, when you read the history of the period when you ventured to tie the rupee to a 2s. sterling when it was not even 1s. 4d. gold accompanied by your Reserve Councils, is it any wonder that the people of India begin to question whether after all you are managing the currency of the country

in the interests of the Indian tax-payer? Is it any wonder that doubts are being entertained of your *bona fides*?

I said, Sir, that the Honourable the Finance Member was trying to prove his case by the statement of two half-truths, one of which is this: "a rise in the rupee price of exported goods is balanced by a corresponding reduction in the number of rupees required by India in paying for the things which she has imported in exchange; in other words the producer's rupees have gone further than they would otherwise have gone." Well, Sir, this is as much a half-truth as the other half-truth which he tries to refute. The only answer to this argument would be an analysis of the figures which my Honourable friend, Sir Purshotandas Thakurdas has laid on the table. Does the Indian producer consume as much of the imported articles as would give to him the advantage, or rather counter-balance the disadvantage, that comes on a rise in the exchange? Well, Sir, so far as we know, imported articles are not consumed by the producer of Indian articles to such an extent as would give him this advantage. The second half-truth is this. He says, "to a very large extent the producer in India is also the consumer of his own produce, and it is obvious that in so far as this is the case he is unaffected by a rise or fall in the price of what he produces." Well, Sir, if this were really true, then I am afraid we are living, not in the 20th century India, but perhaps in the 12th or 13th century India, when people could get everything that they wanted in the village itself. But surely my Honourable friend does not mean to seriously suggest that the producer in India being the consumer of his own produce is not very much affected by the price of what he produces. Sir, in another passage in his speech he speaks of the necessity of the importance of stability of exchange and stability of prices. I say, "Amen"; but we on this side of the House at least are convinced that that stability in exchange and prices cannot be brought about so long as you have got a managed currency in this country. If nothing else can be said about the gold exchange standard, it must at least be conceded that it is an insanitary currency, and the sooner you place your currency on a sanitary basis the better it would be not merely for yourself but for the country at large. As I said, when we talk about the gold standard my Honourable friend talks like the Delphic Oracle; he does not really tell us whether he is in favour of a gold standard or whether he is really opposed to it, or whether he believes in the gold exchange standard. If he has got any doubts about the benefits and the advantage of a gold standard, I would refer him to the opinion of the two experts appointed by the South African Government to inquire into the currency system of South Africa, who have come to the conclusion that the only safe currency for South Africa was on a gold standard. Speaking of the chief advantages of the gold standard currency they say:

"The chief advantages of adopting the gold standard are:

- (1) Greater stability in purchasing power, both internal and external.
- (2) Greater stability in interest rates, and a lower level of real interest rates.
- (3) Stability of exchange with gold standard countries, which are continually increasing in number, and which, in many cases, determine the ultimate price of South African exports.
- (4) Greater confidence in South Africa abroad, which will encourage investment of foreign capital; greater confidence of labour; more convenient and more sanitary currency."

Mr. Deputy President: Order, order. The Honourable Member must bring his remarks to a close at this time is up.

Mr. Shanmukham Chetty: Yes, Sir, I will just finish with this one sentence. I believe that the Honourable the Finance Member would do a great service to India if he succeeds in placing our currency on a stable and scientific basis.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, the Honourable the Finance Member while he was delivering his eloquent speech on Saturday evening, with one idea went on constantly hammering on my head that the Honourable the Finance Member and the autocratic Government of India can raise revenues to the tune of 130 crores and spend it in any way they like without being responsible to the people of India! Out of these 130 crores 56 crores go to the military department, to maintain an impressed army on a war basis. India is bled white by this heavy military burden. Nearly 40 crores go to pay for the repayment of debts, annuities and Home charges. Now these debts were incurred not only by the present Government, but they were incurred by the acts of discretions and indiscretions of the former Governments of India, who have never been responsible to the people of India. Another portion of it, nearly 20 crores, go to maintain a bureaucratic Government, a top-heavy bureaucratic Government, which the representatives of the people of India do not want. Very little of it, if any, goes towards the public welfare departments such as Education, Industries and Public Health. Very little, if at all, goes towards the civic welfare departments. Now, Sir, what is the use of discussing this Budget? The money is collected by the Government of India by the Finance Bill. If we throw out the Budget, then it can be certified by the Viceroy, and the money can be collected and is collected to incur this huge expenditure. If the policy of this Government is to spend our money in any way they like, let us examine their policy and principles of Government and see whether that policy tends to improve the welfare of the people.

During the past 18 months we have been dinning into the ears of this Government that we want fresh reforms, we want more real representation in this Government, but the Government have lent a deaf ear to us. They thrust on us the Reforms Inquiry Committee, and they know that during the budget discussion we will bring up this very question again, and so we are told that on the 9th of this month the report of the Reforms Inquiry Committee will be published, and probably just at the close of the session a day will be allowed to the House to discuss the subject. So much for the good intention of this Government towards the legitimate aspirations of the people of India. Then let us examine minor policies by which this bureaucratic Government can safely do something for the betterment of the people of this country if they have a mind. Let me take one very minor subject. That comes under the purview of the Home Department. I speak of women franchise. There has been a Governor in Bengal who had insulted the womanhood of India, and although we asked questions on this very subject, we were ruled out in this House and were not allowed to raise the question. But the other day on the floor of this House we found an official Member of Bengal defended the Governor of Bengal about that very insult to the womanhood of India. Had there been any representative of the women of India in this Assembly or in the Provincial Legislature, they would have taken steps to defend their honour. But if the men of India are clamouring for more franchise, for greater representation, the women of India are equally anxious and eager to have their representation in these legislative

bodies. Why do you wish that the electoral system in this country shall follow the sequence of development of the electoral system that prevails in England? Why do you wish the women of this country may be kept down for centuries together as was the practice in your country? Do you wish Indian women to imitate your suffragists? Do you want Indian women to take hammers in their hands and break down the doors of Sir Alexander Muddiman to grant franchise to the women of India? And no wonder this point has never been considered? We have asked questions repeatedly in this House and we have been told that it is a matter for the Provincial Government. The Provincial Governments can allow women to vote at the time of elections to legislative bodies, but unless the Government of India can alter the rules, no woman of India can stand for election to any legislative bodies. This is an entirely domestic matter which can be easily settled by this Government if they are really anxious to do something for the womanhood of India.

While the taxation at present is being maintained at war level, and my friend Mr. Yakub has already alluded to it, and asked what would the Finance Member do in case another war should break out? While he will maintain the taxation at war level, and the Army expenditure on a war basis the only resource he can fall back on is that he will increase our unproductive debt, and that is a very easy way to increase the debt of India.

I join whole heartedly with those who complain that this Government have taken no steps to do away with that iniquitous and scandalous taxation, I mean the cotton excise duty. This poll-tax is humiliating to the manhood of India, and this taxation must go. If this Government are bankrupt in statesmanship in meeting the legitimate demands of the people of India, in the advancement of reforms, and in their demand for self-government, they are much more bankrupt in statesmanship in their policy of taxation. Their policy is to wait and see and to take all the money they can get hold of and spend it, and not to allow even a moiety to the people for their betterment and prosperity. This Government appointed several Committees and Commissions for the welfare of the people of India. There was a Committee on the Indian Mercantile Marine. It recommended certain beneficial measures for the people of India, but the Government have cleverly shelved it. They have no time to consider the Report of that Committee which goes to improve the trade and prosperity of the country, but when recommendations like that of the Lee Commission are put forward Government are ever ready to give effect to them even at the point of the bayonet and in spite of the strongest opposition from the representatives of the people. The policy of the Government is to shelve whatever is good for the people of India, but whatever is good to strengthen the hands of the bureaucracy is at once given effect to.

I must now come to my own province of Bihar and Orissa which this Government have neglected for the last 12 or 13 years constantly and invariably. When my province was separated, when the Bihar and Orissa province was created, Lord Hardinge's Government said that Orissa was joined with Bihar in order to provide a seaport to the new province of Bihar and Orissa. I asked my friend Sir Charles Innes why was it that the principles underlying the creation of the Province of Bihar and Orissa, as was set down in the famous Government despatch of August 25th of 1911, had been ignored and Sir Charles twitted me saying that Orissa was added simply to provide Bihar with sea coasts—as if to provide sea baths for the people of

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Bihar. If that was the object of Lord Hardinge in taking Orissa from Bengal, it would have been better for us, Orissas, to have remained with Bengal. Of course Sir Charles Innes with his old love for Madras,—he has spent the best portion of his life in Madras—naturally would like to see Vizagapatam and Cochin Harbours developed, he would like to see the railways built to Vizagapatam, but he will not benefit my province. It may be the Government of India may say that it is a provincial subject. But everybody knows the Bihar and Orissa Government is a very poor Government. It has no finance. It cannot develop any port or harbour unless the Government of India finance it or help it. The Government of India since their translation from Calcutta to Delhi have done away with their responsibility for Bihar and Orissa. My friend Mr. Burdon told me he cannot spare even a small vessel to survey the port of the Orissa coast. Well, what does it matter? Mr. Burdon is in charge of the Army Department and also the Marine Department. What does it matter if Bihar and Orissa is not developed? All its industrial, its mining and forest and other products are taken by the railways to Calcutta to enrich the people of Calcutta and also the port of Calcutta. If we are a poor people it is due to the utter neglect of the Government of India, and Bihar and Orissa remains poor through the utter neglect of the Government of India through their not providing facilities for railways and even internal navigation.

Coming to the question of internal navigation, I maintain that every civilised Government must develop its inland navigation for trade reasons. This Government spend hundreds of crores on railways but spend very little on navigation. Where there is no inland navigation there is no proper development of internal trade. Of course, Government developed these railways not for the development of trade and commerce, but for the transport facilities of the military. Rivers and canals are seldom utilised for the transport of the army. But if this Government want to justify their claim to be a civilised Government, they must consider these civilising systems, and those principles of good government which go not only to enrich the Government but simultaneously enrich the people and add to their contentment and prosperity.

Mr. N. C. Kalkar (Bombay Central Division: Non-Muhammadan Rural): Sir, we must all feel satisfaction, each in his own way, that the financial position of the country is being cleared up. This does not mean that all the wounds and scars on the body financial inflicted in recent years have been healed. Our vitals are still aching under the pressure of the old heavy deficits, reckless loans and self-inflicted losses. But we, at any rate, now know definitely where we stand and what we have got to do to completely rehabilitate ourselves. In many things, which may be called the salient features of the financial statement laid before us on Saturday last,—in many things a spirit of reform is clearly discernible. The separation of the Railway Budget has been followed up by an attempt to put certain departments of administration on a commercial basis. Certain improvements also are well marked in the form in which the Budget is presented. But there is scope for further reforms not only in the same line but also in other lines. For preference I would mention the reform of changing the financial year from the first of April to the 1st of January so that the financial year and the calendar year will be coterminous and co-extensive. The Budget in that case will have to be presented on the 1st of December. The House is perhaps aware that the Chamberlain

Commission on Indian Finance and Currency had actually suggested this reform. But it was apparently shelved simply because the conservative impulse of Provincial Governments proved too strong for the change. The Commission says:

"Under present arrangement, the Indian Budget is presented before the end of March, and the Finance Minister has to prepare his estimates in ignorance of the most important factor on which the results of the year will depend."

Lord Meston, once Finance Minister of India, gave it as his testimony before the Commission that if the financial year be changed as suggested, the Finance Minister will be able to have before him a full and complete account of the rains and to give a slightly better and slightly stronger estimate than under the present conditions. The notorious gamble in rain will then be no more. The Commission was of opinion that the present dates for preparing and presenting the Budget were almost the most inconvenient possible. The Commission of course expected that some slight administrative difficulties could be pleaded against the reform in practice; but the change (the Commission was strongly of opinion) would be a great improvement. The question of shortening the interval between the time of the preparation of the Budget and the time of its actual execution also has its own importance. The Finance Minister, I think, will himself like the arrangement more than anybody else as securing greater accuracy to his estimates.

It is a matter of satisfaction that the Postal Department is found to be not quite a losing business. But I have my own doubts as to whether the financial aspect of the Postal Department may not shine brighter, if a closer scrutiny were made of the commercial character of its operations, and of the capital charged to it. It would be interesting to know whether the Postal Department has been dealt with in exactly the same manner and on the same principles as the Railway Department for the purpose of determining its commercial character and calculating the capital to be charged to it. Happily there is no proposal this year to increase the salt duty. The duty in fact deserves to be still more reduced, though for obvious reasons the advocates of that reform have for the present to rest on their oars. Many people in the country are convinced that salt need not be a State monopoly. They think at any rate that the poorer classes and the agricultural cattle do not get that amount of salt which is essential for their health and also as a preventive against certain kinds of diseases. It is obviously unnatural that with such a big sea-board as India possesses there should be so few centres of salt manufacture.

About opium revenue Government had better now begin to make up their mind that the eventual total loss of this revenue is a foregone conclusion. Personally, I think the liquor habit in India is as harmful as the opium habit. And as charity should begin at home, we must take steps to make India dry before showing solicitude for the opium eater or opium smoker in foreign countries with which we have nothing to do. But after all there is no choice between one kind of tainted revenue and another. Also India must recognise that she has everything to gain by attuning herself to the pitch of the moral consciousness which the League of Nations has displayed in this matter.

The Chancellor of the British Exchequer, it is said, indulges in many little jokes and makes one serious peroration when he makes his annual budget speech. Sir Basil Blackett has just reversed this practice. He

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has entered into many serious disquisitions, but has allowed himself only one financial joke, and that is about the surplus. The Finance Member affects to be embarrassed by the surplus. So was Alla Uddin of the Arabian Nights when he rubbed the magic lamp and did not know what orders to give to the meek obedient giant that appeared before him as his bondman. Now, a deficit may, even like the virtues of poverty, prove a source of superior and enlightened delight to a Finance Minister, in whose making stoic philosophy may have entered more than sound finance. But of these virtues India has quite enough and to spare already. She may now well be excused if, for a change, she craves for the vices of plenty, though it may incidentally cause some embarrassment to the Finance Minister personally. There are embarrassments and embarrassments, and those who can realise the difference between the embarrassment of a deficit will gladly go forward to share the Finance Minister's embarrassment with him on surpluses. Only let him not be a misanthrope and hate human company. Indeed, we think the Finance Member has really even greater cause for embarrassment than he himself believes. It must be certainly twice as embarrassing to dispose of a surplus of nearly 8 crores than a surplus of four crores, and I think the Honourable Member only underestimates his troubles. For the four crores which he has set apart for redemption and avoidance of debt is a real surplus in the sense of being a net excess of revenue over expenditure. And he will come to know in the course of the debate on the budgetary demands that the House is far from being content to divert such a big sum in the name of debt redemption. Not only a large useful amount but also a great principle is here at stake, and the right or wrong of the situation must be earnestly fought out. The Finance Member has argued that the setting apart of four crores of rupees in the name of debt redemption not only reduces the amount that we have to borrow, but also gives confidence to our intending and our possible creditors, in the security for the debts they would give, and thereby serves to keep down the rate of interest on new loans. But I think the House will like to differ from that view. There is, I think, no fear of our real credit being at stake. The Indian Government are still fully solvent notwithstanding their recent escapades and extravagances. Further intending creditors of the Government of India would be shrewd enough to perceive that the British Exchequer may be regarded as a second line of defence at the back of the Indian Government. If Parliament is responsible for the administration of India, it must also be responsible for its debts. It would certainly be an interesting law-point whether the Parliament could not be held ultimately responsible for the debts of the Indian Government. For all the revenues of India legally vest in the Secretary of State for India and all the expenditure incurred by the Government of India is sanctioned by him. The Indian Government perform the functions of a mere agent in all their financial transactions. But even if we may suppose that the rights of the creditors cannot go beyond the revenues and the assets of India as being the only specific security given for the debts, the sheer banking instincts of England will not forsake her in an hour of crisis. They will tell her that the Indian Empire is quite cheap for the debts she may have to take upon herself and to liquidate. Moreover, it is simply unthinkable that a civilized Government like that of England may ever repudiate India's debts. My point is that there is no fear of India having lost her credit in the eyes of her existing or future creditors. Under normal conditions, the Government can get loans at a cheap rate of interest,

and if things seemed to have altered in recent years, Government have to thank themselves for the situation. Their own schemes of extravagance, their own reckless and costly undertakings made them go in for loans at any price, so that it was Government themselves who, as it were, forced the rate of interest against themselves in the money market. Their break-neck haste in realising their constructive genius for putting the house in order was the cause of the abnormal rate of interest rather than an inherent perversity of the money market. Government must of course pay the penalty of their folly, but I cannot admit that the confidence of the creditors of India has been really shaken in any way.

Well, what the Finance Minister has said in his statement under the heading of loans funds will be greatly appreciated by all men of affairs. After all, all loans, for whatever party or purpose they may be raised in India, must come out of a common reserve of national saving, viewing India as one whole nation. But it is certainly a most convenient and businesslike arrangement to create separate loans funds. It is an advantage for all concerned to be able to think in financial detachment. The separation of the Railway Budget will easily lead to the establishment of a separate loans fund for the Railways, though of course Government will have to do the necessary administrative arrangement. But the principle and practice can be usefully extended to the loans funds not only for Provincial Governments but local self-governing bodies also.

The increase in the salaries and allowances of the Civil Services appears in the Budget and will not fail to be resented by the House in view of the Resolution passed by it last year. The great services made a great fuss by threatening to resign and prematurely retire on pension. But it was merely a theatrical gesture. It was designed only to frighten the Secretary of State into greater concessions and the trick, as we now see, has been highly successful. The sagacious rats were expected to leave the sinking ship of State in India as if it was going to be wrecked on the rock of Reforms. But soon they thought better of the situation. They discovered that the ship is fully as seaworthy after as before the Reforms, and the thought of an averted danger has only added to the plenty of the crumbs swept from a festive dinner table.

The Finance Member has not been just and equitable in the distribution of the surplus among the different claimants to it. I fail to see why no relief at all has been given to Bombay in the matter of provincial contributions. The Budget of my province has shown a deficit for this year, and even such slight relief as Bombay would have received might have been very opportune. It is somewhat incongruous that when the Indian Finance Member feels embarrassment as to how to dispose of his surplus, the Bombay Finance Member should have to raise money by new taxation to make up his deficit. This may be regarded as another instance of the grudge which some people believe Sir Basil Blackett rightly or wrongly entertains against Bombay and her people.

Then, again, there is the rightful claim of the cotton excise duty for relief. There can be no mistake as to what this House feels in the matter. It has already passed a Resolution in favour of the abolition of those duties, and it will naturally feel slighted if the Finance Member shows scant courtesy to its deliberate and well-considered decision. I am one of those who have many a grudge to square up with the average millowner, for

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I hate the commission agency system, I hate the inequitable agency contracts which bind shareholders, and I hate the callous indifference which he shows to the interests of labour. But we are all opposed to the excise duty not because we love the millowner, but because we want to knock down the odious principle which underlies the excise duty. We can take other cudgels to beat the millowner with, and bring him to the path of duty and righteousness.

Lastly, I will deal with one part of the Finance Member's argument on the subject of Exchange and Currency. I see that the appointment of a Currency Committee is coming within a few months. It may perhaps come with the Finance Member himself when he comes back from Home from leave which I hear he is taking from next month. Better late however than never. In the matter of the appointment of committees of inquiry, Government always betray the paternal perversity which says to the children: "Jam yesterday. Jam to-morrow. No Jam to-day" Committees will certainly be appointed, but precisely not at the moment when public opinion will demand them. Government must, it appears, always negative the popular demand, like the autocrat of the breakfast table, just only to assert their prestige and authority. If wisdom were conceded to leaders of public opinion, would it not be an argument for surrender of authority and accepting responsibility!

I do not wish to go into the vexed question of the relation between prices and exchange. I shall be content only to say this that I regard the Finance Member's whole argument in this matter as an apt illustration of the saying that paradox is the most convenient cloak to cover the sins of heresy. I will deal only with the advice given by the Finance Member to the people of India to give up their suspicions about the Government policy in regard to currency and exchange. He evidently attributes prejudice to non-official critics, when they betray the suspicion that this policy of Government may be influenced by a consideration of interests other than those of India. The Finance Member, it should be observed, however, does not even distantly suspect that the official mind also may have a bias in its administrative operations. I only wonder that such naivete should be found combined with such profound worldly wisdom as we see in the present Finance Member. In the first place, the suspicion of the Indian people has been only very recently proved by certain facts which even the Finance Member has to admit about the disastrous blunders committed by his predecessor. But he would call them only errors of judgment or only matters of historical importance. Only a cynic can thus mildly characterise the withering blight of Haileyism. Have reverse Councils merely a historical importance for us when we are actually suffering in such a distressing manner from the dire consequences of the wanton liquidation of our financial resources abroad? Surely, we cannot afford to think of Sir Basil Blackett's predecessor with the same equanimity or detachment of mind as when we read the account of Nero fiddling when Rome was burning or the account of the massacre of the innocents. Our present financial helplessness and Government's imprudence are vitally connected like the Siamese twins. I can cite the testimony of others, who at any rate, cannot be charged with prejudice. Thus, Mr. Morton Fawcett said in his lecture on the problem of exchange in 1921 that but for the Reverse Councils liquidating India's resources in London

the drain on England's gold and money power would have been too enormous to bear. So also Major Grogan stated in a letter to the *London Times* in 1920:

"There was no other explanation for their amazing action except on one of the following theories, namely:

- (1) A plot to whitewash the Indian Government
- (2) Political influence leading to a premediated policy of assisting Manchester and Dundee exports by imposing a burden equivalent to 100 per cent. sterling Excise on their competitors in India.
- (3) Financial influence leading to a premeditated policy of sweeping every Indian debtor into the maw of the British Banking-Trust.
- (4) Subservience to some factor desperately interested in the maintenance of the high value of silver.
- (5) An organised attempt of the Indian bureaucracy surreptitiously to multiply its salaries and pensions.
- (5) All-round general nescience on the part of the responsible authorities."

Mr. Deputy President: I am afraid the Honourable Member has reached his time limit.

Mr. N. C. Kelkar: Very well, Sir. The *Times of India* cannot certainly be regarded as a pro-Indian journal and yet see what it says in one of its articles in this matter when exchange was raised to two shillings by Statute. As time however, is short I will not read that long extract to the House. I will conclude my remarks only with the expression of the hope that the Finance Member will not hereafter try to convince this House or the Indian people by heretical paradoxes or by manipulated statistics which he himself once said do not prove anything. We do want the Government of India really to look at and feel about Indian matters as if they were a truly national Government

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir I wonder whether the Honourable the Home Member, who has just come to this House after a long day's absence works in the matter of finance in conjunction with the Honourable the Finance Member. I put this question because, if I were the Home Member, if I belonged to a Government which is responsible not to the people of India so much as to the people of England, I should have tried to "get into the skins" of the Indian people. That, Sir, was the phrase used in a famous letter written by General Gordon from which letter Lord Morley quoted in one of his Indian speeches. I am afraid the Honourable the Finance Member has not helped the Home Department in making an impression on the country.

*What I said with regard to the Railway Budget I have to repeat in regard to this General Budget: It is not a poor man's Budget. In the case of the Railways they said that they could not reduce the third class passenger fares. Here, the Honourable the Finance Member finds argument for not reducing the postage on postcards and letters. I am surprised that he has not done it, especially when he knows, or ought to know, the condition of the people. There is nothing in this Budget which gives a direct relief to the poor

Mr. Percy Lindsay: What are the provinces going to do with the contributions which are to be remitted?

Mr. C. S. Ranga Iyer: My Honourable friend from Bengal asks me what the provinces are going to do with the contributions which are going

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to be remitted. The provinces will certainly try to do justice to the remitted provincial contributions so far as justice can be done. But my Honourable friend from Bengal is aware that the Executive Council stands between the transferred departments and the light of the world. It is admitted by your own moderate friends and admirers that diarchy has failed. Why? Because you do not find money enough to manage the transferred departments. Sir, I think it is one of our European critics who was responsible for the phrase "nation-building departments." Well, these "nation-building" departments have not contributed much towards the building up of the nation, only because they have no money. The remitted provincial contributions so far as my province is concerned are so meagre that they do not even touch the fringe of the poverty of the people. You know that the United Provinces, because of three days' hard rains, have suffered losses twice the amount that you concede as remission to that province. You know that the Ministers in that province have voluntarily sacrificed a part of their salaries, while, what do the European members of the Civil Service do? I do not want to import excitement into this debate, but in answering the question put by my Honourable friend from Bengal, I have to contrast the attitude of the European Members of the Civil Service with that of the representatives of the people, however imperfect, who are in charge of the transferred departments. The European members draw their full pay, and if you please, more than their full pay, thanks to the recommendations of the Lee Commission which, in spite of the opposition of this House, have been given effect to. What was hitherto a domestic responsibility has now become a national burden! Even the birth of a son or a daughter in a European civilian's household is a matter of national concern! I did not want to enter into this question, but I believe the Honourable Member understands that provincial contributions do not even touch the fringe of the poverty of the people.

Be that as it may, what is the use of grumbling against the Honourable the Finance Member? The defect of his Budget is the defect of the system of administration, and the Government of India ought to know that the system of administration being defective, they ought as far as possible, in this transitional stage, try to minimize the defection by reaching the imagination of the people, by touching their heart. For instance when a poor man goes to the post office to buy a post-card and when he realises that henceforward the price of a post-card is a quarter of an anna instead of half an anna, he will think that the Government is not so unkind as he has been told, as he has been made to believe by his own circumstances, by his own sufferings. Sir, this system of government has no imagination. I regret very much that the Home Member did not give a few "tips" to the Honourable the Finance Member in this matter. It is a matter for surprise that, despite two years of protest from the people, you have ignored their protest. It is a matter for sorrow to the poor people of India who feel convinced that so long as the British administration continues they have to pay dearly for it. I wonder whether the Honourable the Finance Member has read the book called the "Government of India" by Mr. Ramsay MacDonald, the Labour Premier. I wonder whether he has read that. He is silent. Apparently he has not read the book. If he has not read the book, I will ask the Honourable the Finance Member to read it, and also other Honourable Members of this House. It is worth knowing what an English

ex-premier thinks how we are paying in this Budget for what is called "a foreign government."

The Honourable Sir Basil Blackett: I did not want to interrupt the Honourable Member but I may assure him that I have read it.

Mr. O. S. Ranga Iyer: I am glad the Honourable the Finance Member has read this book. Silence does not always mean acquiescence.

Mr. M. A. Jinnah: It is out of date now.

Mr. O. S. Ranga Iyer: Mr. Jinnah says "it is out of date." I am sure my Honourable friend from Bombay does not imagine that the Government of India are up to date! I do not think he imagines that the circumstances disclosed in that book do not continue to-day. I do not think that Mr. Jinnah can pretend for one single moment that any one of these conditions has changed. I do not think any responsible Member of this House can claim that the circumstances inseparable from foreign rule have been tided over. What Mr. Macdonald has said in this "out-of-date" book, as Mr. Jinnah would call it, is very applicable to the up-to-date circumstances. "A foreign government is always a dear government—even if it is worth its price", says Mr. Macdonald. I say it is not worth its price, but even if it is worth its price, we have to pay also a penalty for it. His remarks on the Indian Civil Service, I may further say, are not "out-of-date" but very much up-to-date. The book was written when the Lee Commission recommendations had not been given effect to. But the survey of the conditions, in those "out-of-date" days when the book was written, is much more applicable to up-to-date conditions. He says:

"The Indian Civil Service has been regarded for many years as the most attractive of all civilian employment under the Crown."

He goes on to say:

"In the early days of the Indian National Congress, one of the most frequently used arguments in favour of more Indians being admitted to the Indian Civil Service was that the British demanded salaries far in excess of Indian standards. I fear the habit of high standards has become so prevalent that this consideration has no longer any influence. When Indians appeared in the higher service of course they were paid the same rates as their British colleagues."

Further on he says:

"What these standards are may be seen by comparing them with similar posts at home. The pay of a civilian member of the Viceroy's Council is £5,336 per annum whilst that of the Secretary of State for India is £5,000; a member of a Governor's Council gets £4,265, the Minister at the head of one of the minor departments at home gets £2,000; the average pay of a man holding a superior executive post is £2,000, a principal clerk to the Treasury rises to £1,200."

And so on. He comes to the conclusion that if the Indian Government were Indian, the expenses would be considerably reduced and he goes on to say:

"We should bend our energies to prevent these high standards of pay becoming more common. Money is not so cheap as it used to be in India and therefore existing rates of pay may have to be slightly augmented in some cases but the abundant supply of indigenous ability which is now available ought to be used to keep down unnecessarily high salaries."

Then he talks of the poverty of the Indian people. He says that there is absolutely no comparison between the poverty of the people here and the poverty of the people in England. In the case of the Postal Department,

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the Honourable the Finance Member said that the Postal Department must pay its way. But it is not fair to apply English standards to Indian conditions. Please listen to what Mr. Macdonald says:

"The official apologists keep reminding us of the low taxation of India, but that has nothing to do with the matter. The question is what is the taxable capacity of the Indian people, and as regards the great mass the answer must be: 'practically nil.' Englishmen may be taxed, on the average, £10 a head and Indians only one shilling, and the Indian impost be heavier than the English one. While prosperity is far from general in India, the Indian Government will not be able to raise its income very substantially without lowering the standard of life of the people and crippling the economic life of the country; and prosperity cannot be widespread if the exported tribute is heavy."

Then he deals with the military department. The military department is certainly half Indian and half Imperial. For instance the frontier question was long considered to be an Imperial question, but now unfortunately all the expenditure in regard to the frontier operations is to be borne by the Indian people. Mr. Ramsay Macdonald makes it clear in his book that it is very unjust and that it is very objectionable. Sir, on this question, you will recall what Lord Salisbury, as Secretary of State for India and the Viceroy said about the whole position:

"to treat the Indian frontier question as an indivisible part of a great Imperial question, mainly depending for its solution upon the general policy of Her Majesty's Government"

and the Indian people having no voice or choice in it. With reference to this military question, especially the frontier question and also the European soldiers in India so long as India happens to be a part of the British Empire, Mr. Ramsay Macdonald would want that the whole expenditure be borne by the English.

The Honourable Sir Basil Blackett: Since he was Prime Minister?

Mr. C. S. Ranga Iyer:

"A self-governing India would no doubt insist upon bearing some definite share in defence, but like the Dominions it would settle how much it ought to bear: it would adjust the cost to its means and it would decide in what form it was to make its contribution—perhaps an Indian-recruited army. In any event the present plan, by which India pays for the Imperial army stationed there without in any way determining policy, is as bad as it can be."

And Mr. Jinnah says this is "out of date."

Mr. M. A. Jinnah: Is the Honourable Member prepared to accept the remedies suggested by Mr. Ramsay Macdonald? That was my point.

Mr. C. S. Ranga Iyer: Yes, the main point namely the system of government. There is no use grumbling in this House against the Finance Member in the good old style. There is no use saying hard things about him. He is trying to serve both God and Mammon,—the God of the Indian people and the Mammon of the British bureaucracy. He was rather loudly protesting on the exchange question. I think if Mr. Kelkar had been allowed to finish his quotation, it would have shown that the reverse council sales in 1920 were "an organised plunder." It is not in language, it is the language used in *The Times of India*. I do not question the bona fides of the Government in this matter, because the Government are in a very difficult position. They have to

serve two masters, the Indian people and the Secretary of State. The exchange policy is dictated from above by the Secretary of State. It is dominated by the English bureaucracy.

Reverting to the statement that I made at the beginning that this is not a poor man's budget, I wonder why the petrol duty is to be reduced, and not the duty on Kerosine oil, which is used by the poor man, not the postal rates and many other things. The poor man has been totally ignored by the Government of India. And the poor men are altogether neglected by the Government of India because there is no representation of the people among those who frame the Budget. It is thrown over our heads! So many documents are laid before us; and I am jolly glad that we have so little time to go through them! I am glad because there is absolutely no use our going through these documents and trying to criticise them. I think the Finance Member understands much better than other members of this Government how to serve the British Government and the Indian autocracy. I do not blame him for the autocracy, but it is time we got rid of this impossible system, this intolerable system, and make the framing of the Budget conform to the wishes of the people. Meantime I look forward to an early day when we shall have an Indian Sir Basil Blackett, when we can have an Indian Finance Member. I do not care so much whether the Home Member happens to be an Indian or not in this transition, but we cannot afford to have the Finance Member a foreigner, not that I make any personal reflection on Sir Basil Blackett, but I believe that an Englishman, a very able man who comes from England to this country, will find it absolutely impossible "to get into the skins" of the people. He finds arguments, he finds logic,—for what? To justify his not reducing the postal rates; and he will find arguments for many other things. He knows his subject and it is his business to find arguments, but you cannot justify certain of these provisions which never would have appeared there if Indians had control of the framing of the Budget.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 4th March, 1925.

APPENDIX A.

(In lakhs of rupees.)
Statement showing progress of reduction of Provincial Contributions (if the aggregate amount is reduced by Rs. 2½ crores in 1925-26 and by a further Rs. 1½ crores in each succeeding year).

	I Fixed Contribu- tion.	I Reduc- tion.	II Balance.	II Reduc- tion.	III Balance.	III Reduc- tion.	IV Balance.	IV Reduc- tion.	V Balance	V Reduc- tion.	VI Balance.	VI Reduc- tion.
Madras	3,48	1,26	2,22	67	1,55	59	96	43	53	23	25	25
Bombay	56	...	56	...	56	...	...	15	41	22	19	19
Bengal	63	...	63	...	63	...	63	3	60	32	28	28
United Provinces	2,40	56	1,84	41	1,43	45	98	41	57	30	27	27
Punjab	1,75	61	1,14	33	81	30	51	23	28	15	13	13
Burma	64	7	57	9	48	14	34	14	20	10	10	10
Central Provinces	22	...	22	...	22	...	22	6	16	9	7	7
Assam	15	...	15	...	15	2	13	5	8	4	4	4
Total	9,88	2,50	7,38	1,50	5,88	1,50	4,38	1,50	2,88	1,50	1,33	1,33

APPENDIX B.

IMPORTS DURING 12 MONTHS ENDING 31st MARCH, 1924.

DISTRIBUTION OF IMPORTS.

TABLE I.—*Articles for the Wealthier Classes.*

	Rs.
Animals (mainly Horses)	19,86,993
Apparel	1,41,24,888
Arms and Ammunition	64,63,449
Art (works of)	8,36,558
Baskets and Basketware	20,821
Boots and Shoes	25,44,609
Books	51,42,870
Buttons	27,06,303
Candles	2,45,603
Canes and Rattans	5,90,792
Carriages and Carts	21,67,879
Chinese and Japanese Ware	62,185
Clocks and Watches	16,51,098
Coffee	16,17,488
Coir	78,300
Coral	22,446
Cutlery (not including pruning Knives)	21,52,402
Cycles	32,87,651
Drugs and Medicines	1,81,32,945
Earthenware and Porcelain	70,90,806
Electroplated ware	6,32,351
Feathers	24,049
Fireworks	11,53,100
Fish	29,66,906
Fodder, etc.	72,559
Fruits and Vegetables	1,70,79,994
Furniture, etc.	18,61,116
Gelatine	54,089
Glass—	
Lampware	Rs. 17,32,441
Tableware, Decanters, etc	10,22,849
Scientific	1,38,310
Sheet and plate	32,90,056
Bottles and Phials	34,79,216
Others	22,80,847
	<u>1,19,93,719</u>
	Rs.
Bangles	86,38,080
Beads and false pearls	39,42,438
	<u>1,25,80,518</u>
say Half goes to cultivators	62,80,259
	<u>1,82,82,978</u>

IMPORTS DURING 12 MONTHS ENDING 31st MARCH, 1924—*contd.*DISTRIBUTION OF IMPORTS—*contd.*TABLE I.—*Articles for the Wealthier Classes—contd.*

	Rs.
Hair and Manufactures of	58,425
Hardware (excluding Agricultural implements)	4,21,64,038
Jewellery	16,11,123
Liquors	3,14,56,220
Matches, say half of Rs. 1,45,91,813	72,95,907
Mats and Matting	3,38,402
Motor Cars, etc.	3,08,03,405
Oil Cloth and Floor cloth	8,57,470
Perfumery	3,56,088
Plants, living	92,488
Pearls and Precious stones	1,79,81,237
Prints and Engravings	2,72,230
Provisions and Oilman Stores	2,80,79,662
Rubber tyres, etc.	1,67,96,394
Shells and Cowries	3,29,506
Smokers' requisites	5,04,576
Soap	1,19,27,266
Specimens of natural science	23,932
Spices	2,58,77,550
Stationery	89,06,440
Sticks and Whip	1,23,928
Stone and Marble	5,91,250
Tea	82,26,291
Haberdashery	99,02,274
Silk and manufactures of	4,62,16,605
Wool and Manufactures of	2,84,64,601
Artificial silk and other textiles	1,25,50,957
Tobacco	2,26,18,495
Toilet requisites	48,94,289
Toys, etc.	62,87,644
Umbrellas	55,98,590
Articles by post	3,44,19,298
Other articles	39,29,699
	<hr/> 52,26,37,936

TABLE II.—*Articles for Trade and Industry.*

	Rs.
Asbestos	11,80,697
Belting for Machinery	88,12,486
Bobbins	50,53,962
Bristles, etc., for Brushes	24,776
Brushes and Brooms	11,27,856
Building and Engineering material	1,24,77,222
Chalk, French	12,872
Chemicals and Preparation	2,04,74,817

IMPORTS DURING 12 MONTHS ENDING 31ST MARCH, 1924—*contd.*DISTRIBUTION OF IMPORTS—*contd.*TABLE II.—*Articles for the Trade and Industry—contd.*

	Rs.
China clay	15,89,985
Coal, Coke and Patent Fuel	1,76,20,271
Cordage	7,50,036
Cork manufactures	3,59,965
Dyeing and Tanning materials	2,93,53,392
Graphite crucibles	3,67,941
Gums and Resins	29,56,332
Hides and Skins	15,50,255
Hops	3,03,535
Horn	53,552
Instruments and Apparatus	3,25,77,197
Ivory	24,75,104
Lac	22,18,157
Leather	52,32,121
Machinery	19,13,18,919
Metals and Ores (excluding Copper Bracics)	22,44,22,651
Oils (excluding Kerosine and Fuel Oils)	2,47,56,943
Oil, Kerosine and Fuel oil, say half of Rs. 3,17,18,339	3,08,59,184
Packing for engines and boilers	2,46,749
Paints, etc., and Painters materials	1,30,89,183
Paper and Pasteboard	2,71,07,636
Paper making material	20,45,708
Paraffin Wax	70,531
Pitch Tar and Dammar	4,93,192
Polishes	23,51,824
Printing machinery, etc.	32,19,798
Seeds	5,64,339
Ships and parts	71,53,543
Starch and Farina	20,43,628
Tallow and stearine	26,13,818
Tea chests	64,92,048
Telegraph and Telephone materials	2,91,247
Flax and manufactures of	28,31,430
Hemp	9,56,202
Jute	21,99,006
Wax	90,819
Wood and Limber	68,51,030
	<hr/> 69,86,51,949 <hr/>

TABLE III.

Railway Plant and Rolling Stock	11,72,46,081
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TABLE IV.

Sugar, Refined	15,45,06,457
Cotton Manufactures	69,99,27,966
	<hr/> 85,44,34,423 <hr/>

SUMMARY.

	Rs.
Wealthy classes	52,26,37,936
Trade and Industry	69,86,51,949
Railway Plant	11,73,46,081
Sugar	15,45,06,457
Cotton piece-goods	69,99,27,966
	<hr/>
	2,19,29,70,389
Articles used by Producers, say	8,82,94,617
	<hr/>
Total Value of Imports	2,27,62,65,006
	<hr/>

LEGISLATIVE ASSEMBLY.

Wednesday, 4th March, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Sir Geoffrey Rothe Clarke, Kt, C S I, O B E, M L A, (Director General of Posts and Telegraphs).

UNSTARRED QUESTIONS AND ANSWERS.

EXEMPTION FROM CUSTOMS DUTY OF DRUGS AND MEDICINES IMPORTED BY CHARITABLE INSTITUTIONS.

227. **Haji Wajihuddin:** Is it a fact that drugs and medicines imported by the charitable institutions in India are liable to the same custom duty as those imported for sale? If so, are the Government prepared to consider the advisability of allowing importation free of duty when imported for the *bona fide* use of poor Indians as charity?

The Honourable Sir Basil Blackett: The answer to the first part of the question is in the affirmative. Experience shows that it is not administratively practicable to grant such an exemption without opening the door to serious abuses. Moreover, to allow direct imports by such institutions free of duty would be gravely detrimental to the interests of pharmacists in India who have to pay duty on the stocks which they import.

RAILWAY CONCESSIONS TO BOY SCOUTS.

228. **Haji Wajihuddin:** Are the Government aware that Boy Scouts Associations in different parts of the country are rendering great services especially the immediate help given by them in most of the flood-stricken areas in September last, and do the Government propose to encourage the movement by allowing such recognised associations some special concessions in the railway fare whenever batches are sent on trips by the responsible officers of their respective associations?

The Honourable Sir Charles Innes: Government are aware that services, such as those indicated, have been rendered by Boy Scouts Associations.

With regard to the second part of the question the Honourable Member is referred to part (a) of the reply given in this Assembly on the 10th July, 1923, to question No. 206, from which it will be seen that a concession is already allowed.

APPOINTMENT OF MUHAMMADANS AS SUPERINTENDENTS IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS, AND POSTAL CIRCLE OFFICES.

229. **Haji Wajihuddin:** (a) Will the Government be pleased to furnish information how many Hindus and Muhammadans have filled up the post of Superintendents:

- (i) office of Director General, Posts and Telegraphs,
- (ii) each of the offices of Heads of Postal Circles during the last 25 years and how many Hindus and Muhammadans are at present holding such appointments?

(b) Is it a fact that since the establishment of the Post Office Department in India, no Muhammadan, with the exception of the Central Circle (C.P.), has ever been appointed as Office Superintendent in the offices mentioned? If so, will the Government be pleased to state as to what action they propose for the appointment of Muhammadans in such posts?

Sir Geoffrey Clarke: (a) and (b) The posts of Superintendent of the Director-General's office and Postal Circle offices are ordinarily filled by the promotion of the senior fit officials in the office, a practice which Government do not propose to change. In point of fact these posts have been held only by Hindus and Anglo-Indians except in the Burma and Punjab and N.-W. F. Circle offices in which three Muhammadans have also held the appointment. At present a Muhammadan is Superintendent of the office of the Postmaster-General, Central Circle.

NUMBER OF HINDUS AND MUHAMMADANS IN THE CLERICAL CADRE IN CERTAIN SPECIFIED OFFICES.

230. **Haji Wajihuddin:** Will the Government be pleased to furnish information as to the number of Hindus and Muhammadans in the Clerical Cadre as detailed below in the undermentioned offices.

Name of the office.	350 to 450.			250 to 350.			175 to 225			145 to 170.			Time Scale Appointments.	REMARKS.
	Number of Appointments.	Number of Hindus.	Number of Muhammadans.	Number of Appointments.	Number of Hindus.	Number of Muhammadans.	Number of Appointments.	Number of Hindus.	Number of Muhammadans.	Number of Appointments.	Number of Hindus.	Number of Muhammadans.		
D. G.'s Office														
P. M. G.'s Office														
P. Offices														
R. M. S.														
D. I. Office														
Telegraph Eng.														
A. G.														
D. A. G.														

N.B.—(1) Information in respect of each Postal circle may be furnished separately.

N.B.—(2) In the Audit Office the scale for selection grade appointments differs from those of Post Offices, etc., and therefore information regarding the scales which may be in force then may be furnished.

Sir Geoffrey Clarke: The information is being collected and will be furnished to the Honourable Member in due course.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Council of State have, at their meeting held on the 3rd March, 1925, agreed without any amendments to the Bill to amend the Cantonments Act, 1924, which was passed by the Legislative Assembly on the 24th February, 1925. I am also to inform you in accordance with Rule 36 (1) of the Indian Legislative Rules that the amendments made by the Legislative Assembly in the Bill to give effect to certain articles of the International Convention for the Suppression of the Circulation of, and Traffic in, Obscene Publications, were taken into consideration by the Council of State at their meeting held on the 3rd March, 1925, and that the Council have agreed to the amendments."

GENERAL DISCUSSION ON THE GENERAL BUDGET—*contd.*

FIRST STAGE—*contd.*

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, having been in this Assembly from its start and having taken part in the first Budget of 1921, having taken the depressions which that Budget and the succeeding Budgets conveyed, it is some consolation to-day to be able to say that we are turning the corner so far as our financial condition is concerned. Sir, I wish we would follow the English practice of old, when the Chancellor would open his budget instead of going through the presentation of a statement which Finance Members try to make interesting by their speeches. If it was a question of an actual opening of the Budget, I should like on behalf of Madras to take more out of it than the Honourable the Finance Member has chosen to give to-day.

Sir, before I enter into the acrimonious part of my speech, I think I should begin by congratulating the Honourable the Finance Member on his beginning to see wisdom in recognising the just claims of Madras. We are deeply grateful after all for the tardy recognition of the poor financial condition of Madras and the justice which is sought to be rendered in this Budget. Sir, our Ministers have been crying themselves hoarse for want of funds for carrying on the great projects they have had in view for some years, and I may say, speaking on behalf of my province, that we are all deeply indebted to the Government of India for the beginning they have made.

Sir, the Honourable the Finance Member has had three years of experience of the finances of this country. He began as a pessimist: he is now turning into an optimist. And I am also turning that way. But at the same time I must warn the Honourable the Finance Member against too much optimism in connection with the finances of our country. The country is still bearing 49 crores of additional taxation after 1914. That is not to be forgotten when we talk of surplus budgets. We get our surplus because we retain our additional taxation. It must be the honourable ambition of every Finance Member before he lays down his office to get rid of at least a substantial portion of that additional burden. We are living in normal times and abnormal levy of taxation from the country always leads to extravagance and encourages extravagance. We should not forget the troublesome days which we passed through in 1921-22 and 1922-23 and our thanks to the Retrenchment Committee should not be so soon forgotten. When I turn over the Budget Demands, head after head, I see there is a tendency to increase expenditure in almost every Department from 1922-23. If the Honour-

[Diwan Bahadur T. Rangachariar.]

able Member will compare the actuals for 1923-24 with the proposals for 1925-26, he will find that except in a few small Departments, there is a tendency in every Department to go up again. I hope the Finance Member will keep a watchful eye on that growth. We have yet to turn the corner although we are nearly succeeding in the attempt. Sir, there have been elements of luck also favouring the financial condition of the country. We have had windfalls on both sides, both on the receipt side and on the expenditure side, and it is a matter for congratulation that the anticipated small surpluses in 1923-24 and 1924-25 turned out to be somewhat substantial surpluses. This is not a matter for blame. It is always safe to underestimate the surplus. But at the same time we should not over-underestimate it but we starve or deny justice.

Now, the Honourable the Finance Member has to be congratulated upon two or three substantial improvements which he has effected in the financial operations. The separation of railway finance from general finance is a matter on which every one of us has to congratulate ourselves. I entirely disagree from the view of some Honourable Members who have put forth the view that the general exchequer should not look forward to any revenue from the Railways. Sir, the general revenues have contributed very largely towards the building up of the Railways and it is but right and just that the general revenues should be recompensed and recouped from the railway revenues. Only, we should not take too much. I think the convention which we entered into was the best arrangement and there is no reason whatever for grumbling about it.

Sir, I do not know whether the Honourable the Finance Member can safely rely upon the exchange rate which he has set up for himself for the next year's Budget, but I also hope he will succeed there, for upon that depends the small amount of surplus which he has budgeted for. However, that is a matter on which he is told that he is gambling. Other people who are also well-informed told me that he is right. But that is a matter for experts.

Sir, in congratulating the Honourable the Finance Member one should not omit to notice with gratification the great contribution which His Excellency the Commander-in-Chief has made towards reducing the expenditure of this country. We are looking forward to the day when the steady hand which is now directing the reduction will continue to achieve more and more. We want to reach the day when the military expenditure of the country will come down at least to 50 crores. It is in that Department I notice that year after year there is a steady reduction in expenditure. Whether you compare the gross expenditure or the net expenditure there is a steady reduction in expenditure and it is a matter for some satisfaction. However, we on this side will not be content with the reductions already made. It was pointed out yesterday that until Indianisation really takes a rapid turn and until British ranks are substituted by Indian ranks, the day of low expenditure in the military will not be reached. Sir, I asked the Honourable the Finance Member in this session a supplementary question as to whether he is keeping an eye on those items which the Retrenchment Committee have pointed out page after page where further explorations can be made for economy and the Honourable the Finance Member told us that he was doing it night and day. I should like that he had supplied us with some statement showing in what direction such explorations have been made. I fail to see

any signs of it in the Budget Demands. I have turned over item after item, Demand after Demand, but I fail to see that. In fact I have made an analysis of those suggestions. It will take a long time if I read it out. I will give him a copy of it—the pages where suggestions have been made, and the items indicated and I hope the House will be furnished with a statement showing in what direction such further explorations have been made.

Sir, while I have been congratulating the Honourable the Finance Member on the bold policy he has adopted, on the improvements he has in view, on the improvement he has already adopted, the arrangements he is making for a Provincial Loan Fund and the arrangements he is making for a debt redemption and avoidance fund, and the separation of accounts and audit, may I ask him whether he is content with the way in which this Assembly is treated over the Budget? As a good financier from London, is he really content with presenting a statement like this? May I draw his attention to page 39 of the Memorandum accompanying the Budget where out of over 215 crores of expenditure out of the revenues, 118 crores are shown as non-votable and only 97 crores are votable? And not only that. There are so many heads—not less than six heads—which are altogether non-votable. Is he satisfied with that state of circumstances? Is his British instinct satisfied with this way of presenting a Budget? While he is taking full advantage of the help of the Finance Committee, the Public Accounts Committee and this Assembly, is he satisfied with the continuance of this state of things? Does not his financial instinct revolt against this state of things? Sir, this is not the time for me to deal with the general political tension in the country. We have got an irresponsible and unresponsive Government. We will take advantage of another early opportunity to discuss that.

Let me now deal with a few items. For instance, take the High Commissioner for India. How far he is encouraged to Indianise both men and material in London is a matter which requires the careful attention of this House. I had been to his office in London when I was there last year and I did not find a single Indian holding any responsible post in his office. It is hardly creditable to this country. Again, Sir, as regards the military, the question of the revision of the pay of the British army, is a matter which must have been examined by this time. The revision was due in 1924. The pay which was fixed in 1919 was fixed according to the then prevailing prices. But prices have fallen in England. What steps have been taken to revise the pay of the soldier in connection with the fall in prices is a matter also on which we should like to have some information.

Sir, again referring to the North-West Frontier Province, I should like to know what steps have been taken by the Government of India over the report of the North-West Frontier Province Committee. They have had too long to sleep over it. I wonder what they are doing at all. They just tidied over the difficulties of the time by appointing a Committee and we thought we were doing a great deal by travelling about the country. And, Sir, when I recall to my mind the spectacle of people rushing forward to receive us with open arms as if we were the saviours of the situation, when I recall to my mind the scenes of 1921-22 and when I see the stagnation which has overtaken the Government of India in this matter, I cannot but regret that I was a party to that Committee. Either act on the majority report or on the minority report. Do something for the poor people of that province.

[Diwan Bahadur T. Rangachariar.]

There is again a matter on which I cannot speak with restraint. It is the Kohat situation. Sir, I cannot reconcile myself to any Government, whoever were the aggressors, sitting for months together without offering effective protection to a community which have fled from that place, which was obliged to flee from that place and which was encouraged to flee from that place. If we had an Asoka or an Akbar what would he have done? Would he have seen these people stranded in the streets of Rawalpindi? Would he not have called in the aid of the military for protection? Would he spend nights in sleeping? Would not the Foreign Secretary be then spending sleepless nights when he sees the whole population flee from the place for want of protection? Now, Sir, what is the good of going into the origin of the quarrel where the Government are unable to afford that protection to a section of the population? That is a matter which we cannot tolerate, whoever may be at fault. May I ask my Honourable friend, Mr. K. Ahmed if he interrupted me, whoever may be at fault, is it a thing to be tolerated that a whole population should flee from the place and Government be unable to afford protection, and yet they should be investigating and prosecuting people? That is a matter which again requires some serious consideration.

As my time is up I should like to say a word to my Honourable friend, Sir Campbell Rhodes. Sir, it was a matter of extreme disappointment to me to hear my Honourable friend the other day complain by question on the floor of this House and take up that small mercy—it is not even a substantial mercy which the Honourable the Finance Member promised in the discussion on the Railway Budget when he stated that the scales would be weighted heavily in favour of the Indian when the chance came—and make it a ground of complaint. That he should do so is a matter for regret. Now, what were the Indians asking for? That the Government should find a place for an Indian in the Railway Board, and they were careful enough to suggest that in the finance portion of it they had capable Indians who could be selected for the place of Financial Commissioner. And not even a night elapsed when my Honourable friend dreamt that the Services would be dissatisfied. There is not a single newspaper in Delhi which gave vent to any such dissatisfaction. Where did he get news of this grave dissatisfaction? Was it at the dinner table? Bengal has always been the sore spot, and one reason why Bengal is fond of anarchists is the unfortunate impression of the man in the street that the Bengal non-official European is supposed to be in close touch with the official European there and they mutually stand by each other and they make no distinction between European and European and they think that both of them are one. This attitude of my Honourable friend, I am afraid, will confirm that view, when but bare justice is sought to be done to the Indian in a matter like this

Sir Campbell Rhodes (Bengal: European): If I may interrupt my Honourable friend, I think my Honourable friend has unintentionally misinterpreted my point of view. My point of view is that there are capable Indians fully qualified to take the position indicated in the Railway Board. My community would very much welcome them there. But I think it is derogatory to them to suggest for one minute that there is any need to weight the scales heavily in order that they may be chosen for that appointment.

Diwan Bahadur T. Rangachariar: I am glad to hear that amended view, but at the same time I must give my Honourable friend a warning that we in Madras, in Bombay and other places are getting on very well with the non-official Europeans, and I hope the same should be the case in Bengal so that we may have a happy family of nations living in the country. There are various other matters which I should like to go through, but I do not want to trespass upon the time of the House. But I do sincerely congratulate the Honourable the Finance Member on his turning the corner and ably presenting a satisfactory Budget.

Mr. M. E. Makan (Bombay Northern Division: Muhammadan Rural):

*Sir, not being an English knowing man, once more I beg your permission to say a few words about the budget in Urdu, which is the *lingua-franca* of this country. I am very glad that a surplus has been shown in the Budget of this year and I also wish to congratulate the Honourable the Finance Member on his good work, but the signs of famine are visible this year. The last *kharif* crop was mostly damaged in several provinces on account of excess of rain and floods and there not being sufficient rain during the winter, the condition of the present *rabi* crop is also not satisfactory. The market prices of various kinds of grains are rising and wheat is even now being sold at a famine rate. In these circumstances, I am afraid, that the whole budgeted income will not be realised. I would have been more pleased, if the Honourable the Finance Member had been more careful in incurring the budget expenditure. In my opinion, a revenue of 3 crores of rupees is not sufficient, taking into consideration the vastness of the country. If the Lee Commission had not added so much to the expenditure of the country, we would have got a decent amount as surplus in our hand. In this connection, I wish to draw the attention of the Government towards stopping the export of grains from India. If the export of wheat and rice is not stopped at once famine in the country will be inevitable, and the inhabitants of this country now have got no capacity to resist the famine. 70 per cent. of the population of this country consists of agriculturists, and the largest part of the income of the country is derived from cultivation. But I am sorry the Government of India do not pay any attention to the extension of cultivation and the amelioration of the conditions of the agriculturists. I am strongly of opinion that a Department of Agriculture should also be established under the Government of India and steps be taken to bring under cultivation thousands of acres of forest lands which remain uncultivated. In my opinion, there is no other remedy to cope with the growing population of the country, and to remove the poverty of the people. There are co-operative credit societies in all provinces but the cultivators derive no benefit from these societies. These institutions are merely in name only not at all beneficial to the poor cultivators; organizers of these societies merely seek their selfish interests in these. They do not care for the public. In short, it may be so organised as to be really useful to the public not in name but in reality.

I am glad that excise duty on motor Spirit has been reduced. But I am really very sorry that there is no reduction in the cotton excise duty. I hope steps will be taken next year to abolish this duty.

The slow rate of progress of the buildings of the new Delhi is very troublesome, besides on account of the Government of India being located

[Mr. M. E. Makan.]

at two places in Delhi, the expenditure is also multiplied, although some people would be against budgetting more money for the buildings at new Delhi, but I am certainly of opinion that it is better to spend more money for some years in order that enhanced expenditure of every day may be reduced.

In connection with the new Delhi, I have also to observe that, now at Raisina, there is only one Hostel, for the residence of the Members of the Assembly. It is highly inadvisable to make boarding on English style compulsory on the residents of this Hostel. Instead of living in different houses at Raisina, I prefer the stay of the members of the Assembly in the Hostel in order that they may have frequent opportunity of an exchange of ideas and this can only be done, if boarding on English system is not made compulsory.

There is another important question, to which I wish to draw the attention of the Government and it is this, that the period of the membership of the Members of the Assembly should also be five years instead of three. In the first place, on principle, there should be no distinction between the Members of the Assembly and the Council of State. On account of the election after every three years, the Members of the Assembly get very little time to work, the first year is spent in learning the work and the third year in the struggle of an election. There remains only one year in which they can work. In England too, the election of the members of the House of Commons generally takes place after 5 years. I, therefore, strongly submit that in the rules of elections such amendments should be made which may have the effect of extending the term of the Members of the Assembly from three to five years. There is only one more very important point to which I wish to make reference and it is this that the Members of the Assembly and the Council of State should always remain exempt from the operation of the Arms Act, even if they care to remain the Members of these bodies.

Sir, thanking you once again for giving me an opportunity to make a speech, I close my remarks.

Shaikh Mushir Hosain Kidwai (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, besides the fact that the Government of India with its Nadir Shahi or Tzarist ordinances and criminal disregard of the wishes of the Assembly has done nothing whatever to recommend itself or its administration to the people of India the Budget presented to this House has nothing to commend itself. It is out and out a military budget. It has the mailed fist or Kaiser touch behind it. By far the highest item of expenditure still remains under the Military Department. Economy is only illusory and deceptive—at its best it is but transient. Then, Sir the Budget is a rich man's budget through and through. Highly paid foreigners in the Indian Services "domiciled out of Asia" profit by it. First and second class railway travellers profit by it. No increase has been made in the income-tax of the rich. Petrol duty has been reduced to enable my dear friend Goswami to have cheaper joy—rides in his Rolls Royce. Even the hill exodus of the rich officials has been lavishly catered for by this Budget. On the other hand the low-paid servants of India, who have the misfortune of being domiciled in Asia have been ruthlessly subjected and are being subjected to the inchape knife. Nothing in the Budget has been done to brighten their prospects. The poor man has

still to pay more for his postcard. No reduction has been made in the third class Railway fares. Sanitary institutions and educational universities of the people still lack funds. While in England the proletariat has succeeded, almost succeeded, in having a tax-free breakfast table, the salt of the poorest of the poor in India is still taxed very high. In these circumstances the representatives of the people in this House, to whatever party they may belong, have no option but to express their disapproval of the Budget. But we have found that mere verbal expression of our disapproval does not count. Therefore I ask my friends Pandit Motilal Nehru and Mr. Jinnah to put their heads together and devise some means, so that we may get complete control over the purse. Some sort of direct action is necessary even if it be that which was suggested the other day by the Member for Commerce.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Before I make my few remarks, Sir, on the Budget that is now before us I cannot help expressing the envy with which I heard Mr. Makan there discoursing to this House in his own beautiful vernacular; and I wished it were possible for me, if I would, to talk in my own language. That unfortunately is not to be, for a sin of mine it is that I happen to know the official language, namely, English. However, I hope the time will come when the bulk of the debates in this House will be carried on in an Indian language (*Voices*: "Which?") I shall not be sorry, whichever it is going to be. It may be Urdu or Hindi or any other language of India; but so long as it is an Indian language I should be content. If we succeed in gaining for an Indian language the chief place as the official language of this House and of the Government, I should consider that it will take us a very great way towards the goal that we all have in view, namely, the attainment of *Swaraj*. And this naturally suggests to me the second remark which I should like to make, namely, that the Budget before us is far from being a national budget. It may be a good budget, as I dare say in a sense it is; but it is not a national budget; and because it is not a national budget, because it is not prepared by a Government that is responsible to the people of this country; because it is not prepared by an executive that feels that it has got to carry out the mandates of this House in framing its budget,—to that extent and therefore to a very large extent we cannot congratulate ourselves on the Budget before us. At best all we can say is that it is an evil that we have to put up with; it is one of the evils, however much we may try to get rid of them under which we are at present working. I was a little surprised, Sir, and not a little delighted to find my very esteemed friend Diwan Bahadur Rangachariar himself strike the same note, namely, that the Budget before us has been prepared by a Government irresponsible and unresponsive—irresponsible to the people of this country and not sufficiently responsive to the wishes of this House; and when this complaint comes from one like him who is certainly not a fire-eater, it goes without saying that the bulk of us do feel on this point very keenly. And the very many details into which he went, in order to establish the fact that this Budget is not prepared by a responsible body of officials, go to show that this is a large grievance which we on this side of the House have. The fact that the bulk of the items are non-votable and the other facts to which he referred, are all proofs positive that we have got very good and sufficient cause to be dissatisfied.

On the whole the Budget that is placed before us is, as has been rightly termed by somebody, a rich man's budget. There have been surpluses.

[Mr. M. K. Acharya.]

There was a surplus last year, and there is going to be a surplus this year also. What do these surpluses mean? My friend on my right, Mr. Shunmukham Chetty, yesterday went into great details and illustrations, into facts and figures in which he is, I daresay very deservedly, desirous of being regarded as an authority on this side of the House. He went into great details and tried to show from facts and figures that more is taken from the poor man than ought to be taken for carrying on the administration. That is not a point on which we can feel satisfied; for what the surpluses mean is simply this: that more is taken from the poor tax-payer than is absolutely necessary. And what does the present Budget promise in turn? Is there any promise here of lessening the load on the poor man? Is there any hope that any of the burdens heavily weighing on the poor man will be removed? There is none; on the other hand, if there is any promise at all in this Budget it seems to be in favour of the rich man. Petrol may be made less costly. Cigars and cigarettes may be made less costly. Are these the things which the poor man of India is keen about? Does he want petrol to be made less costly, or does he want salt at a nominal rate? Does he want petrol to be made less costly or does he want the postage to be reduced to the old quarter of an anna and half anna rate? I am sorry therefore that the present Budget does not hold out any great hope on behalf of the struggling millions of this country, the toiling millions from whom the great bulk of the revenue comes. I hope however it will be possible for my friends in this House, when the matter comes up in the form of the Finance Bill, to see whether the postage cannot be reduced; and whether, if not the salt tax, at least the duty upon matches and other things which everybody wants, which even the poorest of the poor want, cannot be reduced in this year's Budget. I think that my friends are right in contending, and I for one certainly wish that the salt tax should go; because God has given to us a very huge sea-coast, thereby giving to us all the facilities for making all the salt which this country wants. It is unfortunate that what God has given, man should take away. That is exactly what happens in India, not only in this respect but in many other respects also. What God has given to us, the hand of man has taken away! And yet I think the day will come, sooner than later, when we shall be able to enjoy the blessings given to us by God unmolested by the hand of man, however strong and however mailed that hand may be.

I for one cannot feel very happy or very much elated, Sir, over that doubtful blessing that has been held out to us of a reduction in provincial contributions. It was a great evil, the way in which the provinces had been made to contribute; and one evil is never lessened by another evil. And so though you now give back to the provinces some little portion of what they had been forced to pay, that does not after all hold out any great satisfaction to us. It is at best robbing Peter and paying Paul. Whether it is the Central Government which spends the money or whether it is the Provincial Government that spends it, it does not very much matter, I say, so long as the burden on the poor man is not lessened. I am aware that my own province of Madras in this Budget gets, or is supposed to get, very favourable treatment. I am however aware also, and this consciousness takes away the elation that might otherwise be felt, that just at this moment in Madras the party that happens to be in power and is supposed to represent the bulk of the people in that province is not a party which is very sane or truly patriotic, nor carries its head in a very level manner. Therefore, if

more money goes to the province of Madras I am afraid that at least during the next year it may be frittered away on all kinds of oddities less good and more bad or indifferent. Yet I hope that the time will come soon when those who are now posing in Madras as the representatives of the people will not be in their places, and then only it will be a comfort for Madras to have less contribution to pay. However this is a very small matter. As I say, on the whole it does not matter very much whether this province or that province has a little more or a little less to spend: whether it is the Provincial Government or the Central Government which spends, so long as—and I repeat it once more—so long as the poor man's burden is not lessened.

Lastly, Sir, I am aware and I wish to repeat in this House what others also have said, that there has been one great standing iniquity in our revenues, namely, the cotton excise duty. Whether or not Madras is directly interested in this matter, it is desirable that in regard to this standing national iniquity in regard to this item which has been admitted to be an iniquity by the Government of India—it is desirable that the very earliest opportunity should be taken to get rid of this iniquity. Indeed fair play demands that the cotton excise duty must be abolished at once. (*A Voice*: "Question?") Well, I am not surprised; I am old enough to understand, and I hope everybody here is old enough to understand, that there are bound to be differences of opinion in doing away with an evil like the cotton excise duty, as in many other matters as well. However, this is a point upon which the great bulk of the people at least on this side of the House are agreed—the removal of the duty on cotton textiles. And I say unhesitatingly that will be better for the reputation of the Government of India; it will be better for that righteousness which all of us desire should mark the policy of the Government in this land. On the whole, therefore, Sir, I should join my friend Mr. Abhayankar in raising my general wail that all is not as well with this Budget as we should like it to be. And yet what does it matter after all? So long as the Government happens to be an autocratic Government as it now is, not responsible to the people and not responsive to our wishes—it does not matter whether it is a very good Budget, a very carefully prepared Budget or whether it is a bad and faulty one. On the other hand it would be to our good in the long run if the Budget is bad, if it is not well drawn up, if it is carelessly put in; if it leads to financial trouble; because that may bring the day nearer when irresponsible government in this country may be replaced by responsible Government. Indeed the very mistakes and blunders which the Government might make, from the national standpoint, may come to be of great advantage to us; whereas the very success which may now mark the work of the Finance Member may put off the day for the introduction of responsible government; because it may be said that until we can produce another Sir Basil Blackett, nay one even better than he to take charge of India's finances, until then we shall have to wait. On the whole therefore, Sir, I cannot welcome this Budget with the same elation that some people have felt. It is one of those Budgets which we shall have to carefully scrutinise in order to lessen the poor man's burden. Indeed, I would appeal to one and all in this House to make this their watchword in dealing with the Budget before us—how to lessen the poor man's burden.

Sardar Bahadur Captain Hira Singh Brar (Punjab: Nominated Non-Official): Sir, I am not getting up to speak because I profess to be any kind of a financier like so many of my friends in this House. I rise only to say a word or two in connection with the criticisms which some Honourable Members always make against military expenditure. And I have noticed Sir,

[Captain Hira Singh Brar.]

that some of those Members who talk most have never been nearer to the Army than the grand stand from which they have watched the review. I would ask those Members who profess an interest in the Indian Army whether they are subscribers to the *Fouji Akhbar*. If not, how can you expect to understand anything about the Indian Army and its interior needs? I would beg my Honourable friends to subscribe to that paper, which is circulated all over the world, in order that they may learn what is going on in the Indian Army.

Now, Sir, we have heard a lot about reducing army expenditure, and the methods generally recommended are three in number, namely, first, to replace the British officers in the Indian Army by Indians: secondly, to replace all the British troops by Indian ranks, and thirdly, to overhaul the supply services. Now, Sir, with regard to the first of those remedies, I have never been able to understand what great economy could be made if you replace British by Indian officers. It is very generally known and admitted on all sides that the British army officer in India from the subaltern to the Commanding Officer finds it very difficult to maintain himself if he has no private means. After all, Sir, the army officer has to maintain a certain social position, not only in India but all over the world. His calling is one of honour and esteem. I therefore cannot understand how the replacement of British by Indian officers is going to result in a great saving to the country. For surely it is not intended that when Indian officers take the place of the British officers, their pay is going to be very much less. Surely they will be permitted to live in a manner befitting the dignity and honour of their profession. Only the other day a distinguished Member of this House said that he was sure that no Indian would grudge any expense, even if it was five crores, in order to establish an Indian Sandhurst. If, then, no expense is to be spared in training Indian boys for a military career, it seems to me that no expense ought to be spared in order to ensure the proper upkeep of the position of our Indian officers when they have passed out of such a college. Therefore, Sir, we must maintain our Indian officers and assure to them the same position not only in our country but in the eyes of the world which their British brother officers enjoy to-day. And that means that very little economy can be effected in that direction. The second method recommended, Sir, for the reduction of military expenditure is on a different footing. I am just as keen as anybody in this House to see an all-Indian Army. But, Sir, perhaps I am in a better position than most of my Indian friends here to appreciate the true value of the co-operation of British soldiers along with my own countrymen, because I have fought beside them in war and lived beside them in peace. From them we have learnt much—perhaps the greatest lesson of all is the reality of the bond of brotherhood which unites all fighting men, of whatever race or creed. They continue to inspire us to-day with that single-minded devotion to national duty, which is far removed from the clash of communities in the civic life of India. And I venture to think that in the Indian Army India will yet find the greatest factor in the establishment of a strong and united nation. The value of the British section of the Indian Army cannot therefore be measured in terms of comparative money values. For who is there who is to assess the value of a unifying force in the life of a nation? Also, Sir, in times of communal stress, when passions run high, they have done much to assist us to remember that devotion to duty and the need of one's country, is a higher virtue than the demands of communal bias. Lastly, Sir, it is not necessary

for me to say that no modern army to-day can be maintained without expense—considerable expense. It is not merely a matter of men; no matter how much you may save in that direction, you can save nothing whatever on equipment. You must have the best—the best artillery, the best motor transport, an up-to-date Air Force, machine guns, sufficient supply of ammunition for training purposes, efficient supply services, the best organization possible and suitable to meet the needs of India. And here, Sir, I think that Honourable Members would be well advised to allow the judgment and experience of a great soldier like Lord Rawlinson to guide them (Applause). It is the privilege and, I feel sure, the pride of His Excellency the Commander-in-Chief to answer for the absolute efficiency of the Indian Army in all its branches. The Army in India, Sir, is not merely the pride of India. It is the pride of the British Empire. And the responsibility of His Excellency is not alone to the people of India; it is an Imperial responsibility. And I think, Sir, that everyone will agree with me when I say that His Excellency is not the man who will fail in that responsibility. But in this House there are some Members who think they are even greater than the Field Marshals and Generals of the Army. They take every opportunity to tell the Commander-in-Chief how to administer the Army. They come here armed with figures and full of reductions. My friend, Mr. Goswami, is one of them. I wish, Sir, that he could be allowed to take part in some Frontier skirmish, say, in Waziristan. He would then still be full of figures, but I think they would be the figures of the Pathan tribesmen (*Mr. T. C. Goswami*: “Figures of speech”); and the only thing he would want to reduce would be the distance from his home. Sir, I deprecate these insistent demands for military economy. We must have the very best, and we ought to trust the Commander-in-Chief to get the best for us and to see that there is no waste and no lapse. In conclusion, what I should beg of His Excellency is, again and once more, to increase the number of cadets going to Sandhurst and to try his best to improve the position of the present Indian officers so as to enable them to obtain the higher commission for those Indian officers who fought for us and shed their blood in different theatres during the last Great War. With these few words, Sir, I resume my seat.

Sir P. S. Sivaswamy Aiyer (Madras: Nominated Non-official): Sir, as a representative of the Madras Presidency I consider it my duty to join in the chorus of grateful appreciation of the relief which has been afforded in this Budget to the provinces in the matter of the provincial contributions. (*An Honourable Member*: “What about Bombay?”) I wish also, Sir, it had been possible for Sir Basil Blackett to abolish the cotton excise duty in accordance with the Resolution which was passed by the

12 noon. Assembly last autumn. It is a duty which was unjust in its origin, is unsound in principle and is at the present moment unduly burdensome and injurious in its operation. I hope that in the discussions which would be initiated by my energetic friends from Bombay, some opening will be discovered for affording relief to the textile industry of Bombay by repealing the cotton excise duty.

Sir, in view of the limitation of time that you have imposed, I will confine the rest of my remarks to the subject of the military estimates. Sir, there are some novel features in this year's military estimates. It is a matter for gratification that the military estimates are now presented in a form more and more similar to that of the English military estimates and that they are calculated to afford more and more information to the

[Sir P. S. Sivaswamy Aiyer.]

depots, the medical store depots, and things of this kind, where the substitution of civil personnel can be effected without any loss of efficiency or technical knowledge.

Then, Sir, I wish to pass from grave things to a thing of a somewhat lighter description. It is well worth considering whether the pomp of the Viceroy's Bodyguard or his own dignity will suffer by the substitution of officers holding Viceroy's commissions for the two officers holding His Majesty's commissions. It seems to me to be an unnecessary and altogether unjustifiable piece of extravagance, and I am sure if His Excellency the Viceroy reflects upon it he will be quick to substitute officers holding Viceroy's commissions for those holding more costly commissions.

Another question to which I would like to refer is the possibility of a retrenchment in the military estimates by the expansion of the reserves. We are told that, while the full sanctioned strength of the reserves is 32,000 odd there was a shortage of 14,000 in the last year. Now it has always been a difficulty, which I could not fully understand, why the system of short colour service and reserves has not been fully worked and utilised so as to have a large number of reserves. Many of my countrymen are under the impression that by the proper development of the Territorial Force it may be possible to effect an immediate curtailment in the military expenditure. I am sorry I am unable to share that view. But, on the other hand, it seems to me that by an expansion of the reserves of soldiers who form part of the regulars and who are fit for mobilization at once on any emergency, it may be possible to get on with a smaller strength in the other fighting units. Whether that is possible or not, I do not presume to hazard any opinion. I only suggest for the consideration of His Excellency whether it is not possible. It seems to me to be one of the directions in which it is hopeful to look for some possibility of retrenchment by expanding the reserve to 50,000 or more.

Sir, I am sorry to find that there is no provision made for the establishment of a nautical school under the head Marine. This subject has been talked about and I understood the Honourable the Commerce Member to be in favour of the establishment of a nautical school; but it still hangs fire and months and years pass without seeing the materialization of the proposal. I am also disappointed to find that there is no suitable provision made for the expansion of the Territorial Force in accordance with the recommendations of the Committee. We find a sum of 5 lakhs more in the case of the Auxiliary Force and one lakh more in the case of the Territorials than the actuals and the revised estimates of the previous years. But I hope that His Excellency will see that early orders are passed upon the report of the Territorial Force Committee and that in so far as it may be competent for this Government to give effect to the recommendations of the Committee, he will see that the recommendations are carried out as quickly as possible.

There is one thing, Sir, in which I take a deep interest and that is the University Training Corps, the expansion of which, I believe, does not require the sanction of the higher authorities at home. I hope it will be possible for His Excellency to carry it out and to take early steps.

Sir, I should have liked to see provision made for the establishment of another school like the Royal Military College at Dehra Dun for the south

of India. One public school of this kind for the whole of India is really altogether inadequate.

May I now make one or two suggestions of humbler character? I should think that it would be an exceedingly useful thing if the military authorities could publish a hand-book of information once a year or as often as may be convenient pointing out to the public the avenues that are open for employment, of course other than as menials and camel-drivers or mule-drivers. If he will publish a hand-book of information stating the openings for employment, the educational qualifications required, and giving all the requisite information it would be of very great advantage. I would also, Sir, advise another thing. It is the institution of an Advisory Committee in connection with this Department, as there are in the other Departments. Of course, I know that we have no right to vote upon the military estimate and this Advisory Committee will, in the first instance, be rather a Committee to be educated by the military authorities than a Committee appointed to give advice. But it will have the effect of bringing the lay civilian element in the army *en rapport* with the military authorities and will bring about a more sympathetic and intelligent comprehension of the problems that will have to be solved.

As regards the general policy, I have two suggestions to make. One is with regard to the establishment of a military college and the other is with regard to the subject of King's commissions. With regard to the question of a military college, though we passed a Resolution not perhaps in a form altogether acceptable to His Excellency, I hope that he will lose no time in taking steps to see that a move is made in this direction either by the appointment of a Committee or in such other manner as may commend itself to his judgment. As regards the number of King's commissions, I understand that we have now got rid of all the surplus officers and that we have reached the normal level of recruitment of about 150 per annum. I hope it will be possible for him to secure an adequate proportion of this 150 for Indians. I hope that in this connection he will remember the Resolutions of March 1921 and will see that those Resolutions are carried out with a due allowance, or rather a liberal allowance, for the lag in carrying them out so far. We asked for 25 per cent. to start with and 4 years have passed by. I hope His Excellency will bear all that in mind and press for the throwing open of an adequate number of King's commissions to Indians

Mr. President: The Honourable Member has exceeded his time limit.

Colonel J. D. Crawford (Bengal: European): Sir, in view of the time limit, a practice which I think might be for the benefit of the business of this House if more frequently resorted to, I propose to confine my remarks to criticisms of military policy and military expenditure from a technical and not a political standpoint. The latter aspect has already received adequate notice from previous speakers. But I regret that my Honourable friend Mr. Amar Nath Dutt should offer a criticism on military expenditure and military problems from the position of a casual observer. Even when Swaraj comes, Sir, these military problems will remain and it is not as casual observers but by reading and by a study of our military problems that we will be able to help our Executive in finding the correct solution of them. I think every honest Member in this House and certainly all tax-payers will congratulate His Excellency the Commander-in-Chief, the military authorities and the Honourable the Finance Member on the reduction in military expenditure that has been achieved. And

[Colonel J. D. Crawford.]

we trust that further effort in the future will lead to the elimination of unnecessary extravagance arising from war conditions which has been the main cause for much criticism against military expenditure. Sir, what my community wants—and I think I can speak without fear of contradiction and I believe that most Indian Members of this House will join with us—is adequate military insurance at the lowest possible premium. That brings me, Sir, to my first point. Can His Excellency the Commander-in-Chief assure us that the military insurance for which we now pay a considerable sum is adequate? Both he and the Secretary of the Army Department have in this House stated that the reduction of our military forces has entailed some risk. It is my own belief, Sir, that many of our economies have occurred in the wrong direction. I do not know whether His Excellency will agree with me when I say that there is only one military policy for us in India and that is that we must be able to strike, strike quickly and strike decisively; and that necessitates a degree of mobility in our expeditionary forces which must not be risked. If that degree of mobility does not exist, we lay ourselves open to serious complications which are liable to make our operations protracted and as a result to cost very much more to the national purse in the long run.

Then, Sir, I will go to the question of the solution of the frontier problem, which is and has always been a very large drain on our national purse. What is the policy of the Government towards that problem? I believe, Sir, that there is only one solution—that is an advance to the Durand Line and the eventual disarmament of the tribesmen. It has always been a matter of constant surprise to me how any Government can allow a portion of its people—250,000—to be armed within its borders, a menace to their neighbours, and that menace only to be averted by arming further citizens, and a constant drain on our national purse. I know that finance has always stood in the way but I trust that the Government of India do accept the policy of the eventual disarmament of the tribesmen, and of making them useful citizens. Unless we eventually solve that problem there is very little hope that we can ever bring our military expenditure within reasonable bounds. In this connection, Sir, I would like to suggest to His Excellency the Commander-in-Chief the possibility of a reconsideration of the greater use of the Air Force on our North West Frontier. I have reason to believe that such effect as has been produced on the frontier during the last few years has been largely due to the use of the Air Force. Whilst on this question of our Air Force, it is with considerable regret that I notice in the Standing Finance Committee, Volume IV, No. 3, item No. 18 a Demand covering what was a regrettable incident. For the paltry sum of Rs. 28,000 we denied to our Air Force the provision of aerological observers on the North West Frontier which resulted in a regrettable loss of life. Now, Sir, I believe it is perfectly right that we should throw bouquets to the work done by the Inchcape Committee, but at the same time we must not forget the bouquets we lay on the graves of those officers whose lives lie forfeit to too drastic a spirit of economy.

Now, from this question of our unsolved frontier problem there are other questions that arise. The first of these is that in that unsolved problem you have a constant source of irritation to your relations with your neighbours. Remove it and I believe that you will be able to establish constant good relations with your neighbours and it may have indirectly

some effect on your military expenditure. And further, Sir, that frontier necessitates continued hardship on our troops, hardships which in the long run must necessitate to my mind increasing the salaries you pay both men and officers. It is just the same in West Africa. The old benefits of Indian service have long since gone. To-day the work is hard and arduous and if you are going to get men to undertake that hard and arduous work it will become, just as it is in West Africa, eventually necessary to pay them more. That leads me, Sir, to the fact that it is open knowledge that we are suffering from a serious shortage of British officers. Now, our Indian Army is worth practically nothing to-day as a fighting machine without its British officers and our National Army of the future has very little hope of maturing unless we can assure to ourselves a supply of the very best officers that Great Britain can send us to train it. This shortage is a serious one and one which I do not wish to minimise.

Now, Sir, I have so far made a certain number of recommendations which rather than leading to economy will lead to increased expenditure. But I do not think that increased expenditure is necessary and I might suggest some of the directions in which funds for that expenditure might be found. My Honourable friend, Sir Sivaswami Aiyer, has mentioned the value of the cost accounting system in the Army. If he will examine his budget, he will find that we paid one rupee in sixty for accounting. Now, Sir, I do not wish to belittle the benefits that arise from successful audit but that audit can also be expensive and I do not believe that cost accounting in the Army is serving any useful purpose at a time when we are particularly hard up for money. I believe that in England they have abolished it.

Then there appears a field for economy in the question of our hospital establishments. There is a tyrant far worse than the C. I. D. tyrant and that is the tyrant doctor who in the cause of humanity holds a revolver at our heads and says we must have this, that and the other. He is a tyrant whom it is particularly hard to resist, but, Sir, I think that in the amalgamation of our British and Indian hospitals and possibly of our military and civil hospitals, in many instances we have a chance of reducing our overhead charges.

Another point to which I would like to allude is the question of our Auxiliary and Territorial Forces. The recent committee on the Auxiliary and Territorial Forces stated that "we ourselves adhere to the original plan of the Territorial Force as a means of providing national education in military service." With that Sir, I agree. But, if we are to get any true sense of what the real military expenditure is, I suggest that the portion might be excluded or shown entirely separate from our true military expenditure until such time as these Forces have reached a stage of education when they can be taken into effective consideration as a portion of our military forces.

Might I also suggest to His Excellency the possibility of utilising the services of the Indian Stores Department in the question of his purchases? I have also heard considerable criticism on the question of Government trading and the cost of the maintenance of Government factories. I realise that it is at times necessary to maintain factories for technical stores in order to provide a nucleus for expansion during times of war. But I do believe that considerable economy could be effected by a reconsideration of our policy as to whether we could not place this once again with the trade and make such arrangements with them as would be necessary to provide an adequate supply in times of war.

[H. E. the Commander-in-Chief.]

approved by the Secretary of State and which will be published in detail on Saturday next. Furthermore, we have been able to include in this figure certain concessions to the garrison in Waziristan concerning which questions in this House have been asked more than once, which I think is only a just tribute to the hardships which officers and men have to undergo serving upon the frontier in the neighbourhood of Razmak. Concurrently with these reductions it has been my duty as Commander-in-Chief to carry through the reconstruction of the army. Honourable Members seldom have opportunities of seeing this side of the military machine, but I was glad to have been able this year to do something in the way of showing them the manœuvres and the review here at Delhi in January last. I should like to take this opportunity of thanking the House for the Resolution that they passed some six weeks ago expressing their gratification at the arrangements that had been made for them to witness those operations. I conveyed that to my subordinate officers who were very much pleased. It has been no easy task to ensure the progress in organisation, training and instruction of the army concurrently with a drastic programme of economy. It has demanded a very careful handling on my part and I candidly confess that, if I had not had the experience of the Great War behind me, which enabled me to discriminate between what was essential and what was not, I should have found it an impossible task. I think the result, in so far as the efficiency of the army is concerned to-day, must be considered satisfactory, for not only has the fighting efficiency of the units greatly improved during the last four years but it has been found possible to provide them with the latest equipment in the shape of long range guns, howitzers, armoured cars, tanks and automatic weapons of all kinds. Moreover, with so many splendid officers, now serving in the army, who possess experience of the Great War, it has been a congenial and comparatively easy task for me to ensure that the lessons of that war have been taken to heart and correctly applied to the units and formations of our present army. I cannot speak too highly of the keenness and proficiency of all ranks, and when I lay down my seals of office, my greatest regret will be the severing of my connection with such a magnificent body of officers, non-commissioned officers, and men. For, after 40 years' experience in the army, I have no hesitation in saying that, so far as that portion of the army is concerned which is now in India, it has never been better commanded and staffed, but I must eliminate from this eulogy, of course, the personality of the Commander-in-Chief.

To some extent the Budget as well as the training of the army has been interfered with by active operations such as the Moplah rebellion, the war in Waziristan, and the many occasions on which it has been necessary to call out the military in aid of the civil power. But happily these regrettable interruptions to our normal progress have passed into history, and we all hope that they will not recur.

It is well, perhaps, that I should say a few words on Waziristan. You will, no doubt, have noticed that there is again in this year's Budget no special grant for this purpose. The reason is that the policy in that country of the occupation of Razmak, and the construction of roads, has undoubtedly had the effect of greatly improving the situation, and though I do not pretend that the Mahsuds have been pacified for all time, we are

now in a far better position than previously to maintain a reasonable standard of law and order in that turbulent country. The construction of the buildings at Razmak and on the lines of communication should be completed before the end of the coming summer, while the damage done to the roads, consequent on the abnormal rainfall last year, has been repaired. I am bound to admit however that various forms of "*budmashie*" are still practised by the Mahsuds, and that kidnapping in a lesser degree still prevails, but at the same time we have been able to release these kidnapped prisoners more rapidly than in the past and we hope, as time goes on, the Mahsud will cease troubling.

Generally speaking, the situation on the Frontier from Chitral to Baluchistan is satisfactory, though there are elements of danger always present in that turbulent area which require constant attention, for one never knows when they may not develop. Similarly, our relations with Afghanistan may be said to be normal, notwithstanding the fact that Soviet machinations and propaganda have recently exhibited some signs of activity. These small clouds on the horizon need not however give us cause for any serious or undue anxiety unless they develop into cloudy weather, but it would be foolish to shut our eyes to the implications of a *rapprochement* which is undoubtedly taking place between Soviet Russia and China, particularly at a time when China is in a state of chaotic upheaval and when Russian policy in Central Asia is developing on somewhat new lines.

I will pass now to certain matters connected with the army administration which will be of interest, I think, to this House. It would not have been possible to effect the reconstruction of the army unless the higher organisation and control which was initiated by my predecessor and which is known as the Four-Command Scheme had been maintained and developed. Under this scheme the division of India into four Commands has enabled us to carry out a system of decentralisation, which has not only relieved the headquarters of the Army of much of the work of detail by which it was at one time overwhelmed but it has placed the responsibility for minor matters of administration on the shoulders of the man on the spot and thus produced much saving of time and money. I will not take up the time of the House by referring in further detail to this administration, for further particulars are available in the book which I caused to be published to this House last year entitled "*The Evolution of the Army in India*". Honourable Members can make reference to that book whenever they want to and I hope that quite a large proportion have already read it. This brings me to the results which improved administration has had and is having on the officers and men of the Army. As the House is aware, I have always placed education in the forefront of the military programme. Modern military operations have become so technical that education has greatly increased in importance. The old régime, when the rank and file of an army were designated as food for powder, has passed away never to return. For the modern battle we want men of education who can get the maximum value out of the scientific weapons with which they are provided, and it is for this reason that the training establishments and schools claim so large a place in our military budget. I know it is not everybody that admits that this is necessary. We claim, however, that when we take in a raw recruit, for his 7 or 10 or more years' service, we train and educate him and return him to civil life an improved citizen with a practical education and knowledge of many matters.

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which he would never have had an opportunity of learning except in the army and I claim further that the army is fulfilling a great purpose in raising the general standard of ideals of quite a considerable portion of the inhabitants of this country. Nothing that I can say can adequately express my admiration for, and trust in, the splendid type of Indian we now have in our Indian regiments, especially amongst the Indian officers of all castes and of all religions. One of my Army Commanders in writing to me the other day expressed his surprise and gratification at the immense improvement that has taken place during the last two years in the regiments and battalions of the Indian Army. This is highly satisfactory, and I am confident that yet greater improvement will be made under the splendid stamp of British officer which we now have in our units.

I doubt if the House realizes what has been done during the last few years to improve the pay, the pensions, and the general welfare of the Indian soldier, consequently largely on the recommendations of the Esher Committee which sat in 1920. Formerly an unpleasant comparison used to be drawn between the pay of the soldier and the wages of the daily labourer in civil life. There is no room for such comparisons now. The Indian soldier is well-paid, well-fed, and, in most cases, well-housed, but the barrack programme is by no means yet complete, and it will not be finished for at least another four or five years. But it is not only in respect of his pay and accommodation that improvement has taken place. The introduction of the Indian Station Hospital on the same lines as the British Station Hospital has provided him with far better medical care, and the result is abundantly clear in the improvement of the general health of the army. It was suggested by one Honourable Member that in the amalgamation of the Indian Station Hospital and the British Station Hospital an economy could be effected in the overhead charges. Without having gone deeply into the question I should say that the great objection will be difficulty of accommodation. At present both hospitals are suitably and well housed in most cantonments in separate buildings often distant from one another. To combine these into one building would involve considerably more expenditure on barracks and I very much doubt if you are going to get any great economy in overhead charges even when you have a combined Hospital. The Indian Soldiers' Board and its subsidiary organisations cater for the soldier's dependents whilst he is serving, and assist him to re-establish himself in civil life when he leaves the Army. Some time ago I received from the Expeditionary Force Canteen Profits Fund in England a sum of Rs. 38 lakhs to be devoted to furnishing Indian units with healthy outdoor and indoor recreation. The interest on this money is distributed to Indian units annually and, as you may imagine, is very very much appreciated by them. Then there are the India and Burma Military Relief Fund and the Silver Wedding Fund which came into existence as a consequence of the war and which devote large sums to the relief of distress amongst the personnel of the Indian Army and the education of the children of Indian soldiers who fought in the war.

It will, therefore, be evident that the conditions of the Indian soldier have been greatly improved and developed during the last few years. The reductions in the Budget and the improvement in the conditions of the Indian soldier could only have been carried into effect with the whole-hearted assistance, advice and co-operation of my friend the Finance Member.

who has at all times been only too ready to furnish me with his valuable advice and co-operation. With his help also a system of cost accounting has been introduced on commercial lines, which enables us to test the efficiency with which any establishment or unit is run. That, as I observe, has been criticised by one Honourable Member in this morning's debate. I have had some little doubts as to whether the cost accounting system is really a paying concern. But, on the whole, and I do not wish to be taken as giving my considered opinion, I think that it is doing useful and satisfactory work. Whether it has come to stay permanently or not, remains to be seen. We have not yet had sufficient experience to say. The creation of the department of the Master General of Supply has removed some of the services which were formerly overwhelming the Quartermaster General and merged them into a separate department under its own control. Working in conjunction with the Indian Stores Department, we now procure what we require for the Army at the lowest price compatible with the adequate supply of the efficient article, and up to the present I have every reason to be thoroughly satisfied with the working

of this new Department of Army Headquarters. It has fulfilled a most useful purpose and has not only effected considerable economies but has placed the reserves and the producing machinery of the country on a thoroughly satisfactory basis, as well as developing Indian industries in this country for the supply of articles which the Army requires and to reduce as far as possible those that are imported from overseas.

Now, I have been asked more than once, and one Honourable Member speaking this morning was anxious to know, whether we were receiving full value for our money, whether our insurance was adequate. I can only liken this question to that of any man who insures his house. You do not know whether your house is adequately insured until that house is burnt down and you see whether the money which you get from the insurance company is sufficient to build another. Well, it is exactly the same with military expenditure. You cannot tell whether the insurance is sufficient until you have put it to the real test of war and until you have won a campaign against your enemy. But this I can say, that if we look firstly on the improved efficiency of the Army during the last two or three or four years and on the other hand at the reduction that we have made in military expenditure, I can say this, that you are getting better value for your money to-day than you did two, three or four years ago. (Hear, hear.)

Now, Sir, I feel that I have already encroached too much upon the time of the House. But there is one question to which I think I ought to refer before I sit down. It is a subject which I know is very close to the hearts of my Honourable friends here. It is of first importance, and it is further one which I think in my position as Commander-in-Chief I ought to refer to before I sit down. We have already on several occasions discussed portions of it across the floor of this House, but, as this is the last occasion upon which I shall address you, I feel it is my duty to set forth my considered opinion on this vexed question of Indianization, of the creation of a national army which will make India self-supporting in matters of defence. I may say that ever since I arrived in India as Commander-in-Chief this question has been engaging my most earnest attention, and I have examined it in all its aspects and from every point of view. The conclusions at which I have arrived are I know at variance with the expressed views of many Honourable Members in this House.

[H. E. the Commander-in-Chief.]

and I doubt if anything that I may say now will induce them to modify their opinion. But that is no reason why I should not be perfectly frank with this Assembly and give them my opinion for what it is worth. After all it is only an opinion, though it is formed by one who has had some experience of what an army ought to be and has devoted much time and study to this most vitally important question. One of the first difficulties with which we are confronted is that it is no simple matter to create a national army in India, because India is not a nation. (A Voice: "Question?") And I do not think that any Member of this House can really believe in his heart that India is what we call a nation. That is the difficulty we are confronted with here—the want of homogeneity in the peoples. There are so many different interests, different religions, different castes, different ambitions scattered over this immense country which we want to weld together into one uniform fighting machine. That is our chief difficulty. Honourable Members are anxious that Indianization of the Army should proceed at high speed. I do not think they are quite clear as to whether they would get rid of the whole of the British officers, including the Commander-in-Chief, in the next 5, 10, 20 or 30 years. (A Voice: "Why not?") Well, I say you have not made up your mind—or whether they would retain a certain proportion of them for a longer period. I say, I do not think you have made up your minds; some Members say one thing, some another. (A Voice: "You do not allow us.") Oh yes, we do. My own view is that you will not be able to do without a large percentage of British officers and still be in a position to defend India successfully for many many years to come. (A Voice: "How many?") I leave you to guess. In the meantime we must do all we can to give to young Indians the best possible chance of becoming efficient officers and taking up the army as a career. I attach more importance to quality than to quantity, for I feel that every Indian Cadet, who now enters the Dehra Dun College or Sandhurst, who fails to make good as an officer is going to increase the difficulty which we must eventually overcome when the 8 units now in process of Indianization come to be tested in the stern school of war. It is for this reason that I have attacked the problem at its foundations and devoted paramount attention to the education of Cadets and the increase of Indians at Sandhurst. The Dehra Dun College is admirably fulfilling expectations, but it requires to be increased in order to supply a larger number of Cadets for Sandhurst and this will be done at no very distant date. The creation of the King George's School and the building of the Kitchener College will greatly assist the education of the sons of serving and retired soldiers, from which excellent material we shall, I am confident, be able to find a proportion of our future officers imbued with the martial spirit and accustomed to habits of discipline and hardship which are essential requirements of the officer of the present day. The plans for the Kitchener College are already settled. The College will furnish a cheap and comprehensive education for the sons of Indian officers and men of the army. It will deal only with those who intend to make the army their profession and will be conducted on lines similar to Dehra Dun and analogous to Sandhurst. It is only awaiting the allotment of funds to break ground and to commence the building.

Since I last addressed this House the report of the Auxiliary and Territorial Forces Committee has been published and is in the hands of Honourable Members. It contains, as you will have observed, several very far reaching recommendations especially regarding University Training

Corps, which if accepted by the Government and the Secretary of State will have a marked effect on the Indian Army of the future. In a recent debate in this House I signified my willingness to accept a similar committee to examine and to report on matters connected with the military education of and the supply of Indians for commissions. The House did not think fit to agree with me and pressed for wider terms of reference and an increase in the scope of that inquiry, because no doubt they clung to the idea that the rate of Indianization could be accelerated by such an inquiry as they envisaged. I think they were wrong, and I am sure they will imperil the success of the eventual scheme if they continue to try and force the pace. So long as I am Commander-in-Chief I shall resist strenuously any such endeavour, for I know that by so doing you are only courting disaster. If a false step is taken now at this initial stage, it will not merely affect the future efficiency of the Army, but it will seriously compromise the question of constitutional progress which Honourable Members have so much at heart. That is inevitable, and I will not be a party to measures which in future years may be fraught with such vital consequences.

I have constantly advocated that whatever steps we take now to train Indian officers for King's commissions must be done exactly on the same lines as the steps we take to train our British officers. Nothing less efficient will do, and, moreover, it would not be fair to the Indian. Everything will depend on this the first generation of Indian officers that we are now creating, and it is imperative that we shall follow the best methods known to us, and give to Indians the same opportunities of education and training which we give to their British comrades. Even if this is done, we are not even then clear of our troubles. As you know, we are now in process of Indianizing 8 units in the Army. I find that service in these 8 Indianized units is not popular amongst Indian Cadets coming out of Sandhurst, though so far I have not had any direct refusals to join them. But it is not a healthy indication, especially at a time when we are doing all we can to encourage Indian boys to take up a military career and to enter Dehra Dun. The relations between the British and Indian officers in the Army are to-day so intimate, so loyal, and so full of trust, confidence and respect, that I am not surprised to find that Indian cadets prefer to serve in units where they will be associated with British officers. It is to this loyal co-operation between the splendid representatives of both races that the efficiency of the Indian Army of to-day is very largely due, and, as far as I am concerned, I will do nothing that can possibly discourage it. We are experimenting with the Indianization of 8 units of the Army. The experiment must be carried through. It may succeed, or it may not. That remains to be seen, but, whatever happens, the experiment must be tried out, and not plucked out by the roots to see how its growth is proceeding.

In conclusion, I can assure the House that I have given this great problem of Indianization my very best attention whilst Commander-in-Chief in India, with all the knowledge and experience that I possess, and with a very sympathetic interest in what I know to be the aspirations of this House. I can assure the House that when I lay down my office I shall not cease to take a similar interest in this problem, and, if it should be within my power in future years to assist in any way in its solution, you may be assured that I shall not fail to approach it with that same sympathy and understanding, and on the basis that India must have the best and nothing but the best in constructing the foundations of her future.

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Army. The problem is so full of conflicting interests, so complicated by racial and religious influences, and so intimately connected with the future political development of India, that it would be dangerous in the highest degree to risk the consequences of a rash or a false step. If this House would regard the problem from a wider aspect, and get away from minor details and racial competition, it would be more likely to win the confidence of those who are responsible for any scheme of Indianization, and with whom the final decision of this vexed question must ultimately and inevitably rest. (Applause.)

The Assembly then adjourned for Lunch till Twenty Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes Past Two of the Clock, Mr. President in the Chair.

Sir Gordon Fraser (Madras: European): Sir, I do not intend to waste my twenty minutes making pretty speeches about the Finance Member, but I would just like to congratulate him on the excellent report he has given of his stewardship; also the fact that he has at last been able to make a start in the remission of provincial contributions is a matter for gratification. I would like to take this opportunity of thanking my Honourable friends from Bombay, Sir Purshotamdas Thakurdas and Mr. Cocke for the very friendly remarks they made yesterday in their speeches, and we, in Madras, very much appreciate the sporting attitude they have adopted towards Madras in connection with the provincial contributions. I hope it will not be long before the provincial contributions are wiped off the slate altogether and when that is a fact I am quite sure that Madras cannot refuse to come in on a general reconsideration of the whole question of the division of the revenues of India as between the Central Government, Provincial Governments and Municipalities and Local Boards; but I contend that until that time arrives, until provincial contributions are wiped off the slate, no reconsideration of the question is possible.

I was particularly interested in the remarks of the Finance Member in connection with Exchange. To me his remarks appear very sound indeed and I would like to say a few words on that subject. I must admit that I do so, Sir, with very considerable diffidence as this question of exchange is an extremely difficult one and it is one that an amateur is rather loath to embark upon, especially in the case of speaking in public. Reference has been made in this House on several occasions to those very clever and able financiers in London who are such experts in manipulating financial and money matters in such a way that it is always to their own interests; in fact I think it has been implied that they are distinctly unscrupulous. Well, Sir, these admittedly able and clever financiers have for some years now been doing their very best to restore and appreciate the currency of their own country. But what do we find on this side? We find that the financiers in India, business men of standing, clever men, advocating exactly the opposite policy; they are trying by legislation to depreciate the currency of their own country. Now, Sir, I have come across no arguments—nor can I conceive of any arguments—that would show that a country gains by depreciating its own currency. The point which I particularly want to emphasise and one which I think is obvious is that a reduction in the rate of exchange would enhance the price of

all commodities in India. If you take the case of the staple food of the country, rice, with exchange at 1s. 6d., a pound sterling will purchase a unit of rice for which the producer would get Rs. 13½. If you drop it to 1s. 4d., that producer will get Rs. 15 for the same unit of rice. It seems all right for the producer. But what about the general public? What about the work-people, the poor people of the country? The price of rice in the country must rise if the producer is getting Rs. 15 from foreign buyers for his rice. He is not going to sell it to consumers in the country for Rs. 13½. The producer may benefit, but the general public, the man in the street, the consumer, would be the one that would suffer. That same argument holds good in the case of all produce, wheat, cotton and in fact all produce of India. A low exchange would doubtless stimulate exports temporarily. But the result would certainly be a rise in the prices of all commodities and a rise in the cost of living detrimental to the country as a whole and to the consumer. In the case of imports, a depreciation in the currency would have exactly the same effect. The 350 million people of India would have to pay Rs. 15 for a pound's worth of goods for which previously they paid only Rs. 13½. So, whichever way you look at it, either from the point of view of exports or from the point of view of imports, the position by depreciating your own currency is against the consumer, and is against the country as a whole. The poor man may not use much in the way of imported goods, but he cannot get away from the general rise in prices which would result. The result would be a rise in prices all round followed by labour unrest, and also a rise in the rates of wages because the purchasing value of the rupee would be reduced and the work-people would not be satisfied unless their wages are increased accordingly. This agitation for lower exchange comes mostly from the industrialists, but I do not think that the industrialists themselves would have it all their own way. Take, for instance, the cotton industry. They might get rather more rupees for the goods they export abroad but, on the other hand, they most certainly will have to pay more for their cotton. They will have to pay more for their imported stores and machinery, for their coal, for their railway freight and in turn they must charge more for their products which they sell to the consumer. It is the same thing with the coal mines. Mining companies will have to pay more for their imported stores and machinery, for their labour, for their railway freights. And even in the case of railways you get the same thing—higher prices for imported stores and materials, for your labour, for your coal, and, as a result, increased rates for goods and passengers. Then, when you come to the ordinary consumer, you will notice that he is the man who suffers all round. The price of everything goes up against him, e.g., clothing, food-stuffs, travelling, etc. The whole thing is a vicious circle and one thing reacts continually on the other. It is no argument, as I said before, to say that the working people or the poor people do not use imported goods to any large extent. They may not do so. But, on the other hand, they cannot possibly get away from the enhanced prices resulting from the depreciation of the rupee. I do not propose to touch on the question of the depreciation of the rupee as it affects taxation and the credit of the country, because, I think, the Honourable the Finance Member has dealt very fully and satisfactorily with these points in his speech on Saturday last. The question of exchange, as I said before, is an extremely difficult one and an amateur is rather loath to embark on a discussion of it. There are two points of view, however, that in my opinion are axiomatic. The first is the desirability of a stable exchange. The next is that the depreciation of the currency of a country cannot possibly be to the benefit of

[Sir Gordon Fraser.]

that country. Sir, I think the Honourable the Finance Member deserves the gratitude of all those engaged in commerce and industry and of the general public for his recent efforts to prevent the violent fluctuations in exchange which are so detrimental in every respect.

Another point I would like to draw attention to is that the rate of exchange ruling recently, for some months at about 1s. 6d. has had no detrimental effect on the export trade of this country. We have heard no companies of India not being able to dispose of its surplus commodities and so far as I know the export trade of India is not in need of any assistance by artificially depreciating the rupee by legislation.

Another point I would like to refer to is the question of the sinking fund. The Government of India definitely announced their intention of devoting 4 crores and odd to the sinking fund and if this Assembly now starts playing about with this and reduces the amount by 75 lakhs, it is absolutely certain that we shall have to pay more than that amount in excess interest when the big programme of conversion and new borrowings comes along. During the next three or four years, I understood from the Honourable the Finance Minister's speech the other day, it will be necessary to redeem 95 crores of debt. That debt at present carries interest of $5\frac{1}{2}$ or 6 per cent. The great point is to re-borrow it below this rate; and if we start tinkering about with the sinking fund, I am sure that will not be possible. We cannot go back on the announcement in regard to the sinking fund and nobody knows better than business men how very sensitive markets are. Many markets are swayed, as all business men know, by sentiment very often more than by fact. At the present moment the Government have made this pronouncement and it is a matter of strength to them and to the financial credit of the country. A strong position like that gives the general impression of a considerable amount of hidden strength behind it. But if you reduce the sinking funds, it immediately becomes a sign of weakness and also gives the impression of considerably more weakness than is actually the case. In other words, the strength shown is exaggerated. On the other hand, the weakness shown is also exaggerated. And if you try to put the difference between these two conditions in rupees, annas and pies in the form of the interest that we will have to pay on new borrowings, I think it will amount to an enormous sum. Criticise the sinking fund if you like and criticise the policy of the Honourable the Finance Minister, but the sinking fund is an accomplished fact. Leave it alone. The present position reminds me rather of one of the war pictures in *Punch* where the sergeant boxed the ears of a stupid cockney recruit. His friend sympathised with him by saying " 'E didn't ought to do it ". The reply of the injured one was: " It don't matter whether 'e did ought to do it or 'e didn't ought to do it; 'e done it, didn't 'e? ". It is exactly the same position with the Honourable the Finance Member, and I do not say whether " 'e did ought to do it " or " 'e didn't ought to do it ", but " 'e done it, didn't 'e? ". Therefore, we should leave it alone.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): I am afraid, the Honourable Member has used the expression in the sense as if the Honourable the Finance Member was not justified in doing it.

Sir Gordon Fraser: Another point to which I would like to draw attention is this. I would like to put in a strong plea for the transfer of the Trade

Commissioner's office in London from the West End back to its old home in the city. I won't deal at length with the excellent work done by the Trade Commissioner. No one questions this, but I do contend that the place for his office is certainly in the business centre and not in the West End. Honourable Members are all no doubt aware that Mr. Chadwick's office in the past was in Old Broad Street, which is a good centre. This transfer was made in accordance with the recommendations of the Incheape Committee. But I venture to think that the saving effected was trivial as compared with the inconvenience and the detrimental effect it had on the usefulness of the Trade Commissioner's work. The West End is too remote from the business quarters and it removes that personal touch which the Trade Commissioner ought to have with the business world of London, and which I consider so important. Now, I would just like to mention the main ground on which I ask for this transfer. The Trade Commissioner's office is most useful to small firms and Indian traders. Many large firms and big companies have their London houses and they don't use the Trade Commissioner's office to the same extent as the smaller people. Certainly the Trade Commissioner is useful to them but he is more useful to the smaller people, and in the interests of the smaller firms and the Indian traders I hope the Government will seriously consider spending that extra few thousand rupees and move the office back to its old haunts.

Before I sit down I would like to bring up again the question of an export duty on raw hides. I see the Honourable the Commerce Member is smiling—I know he won't do it. The exports of raw hides have been growing in volume and value. The exports of tanned hides have been going down. The price of raw hides in India at the present moment is about 100 per cent. more than it was a couple of years ago. You have only to study the figures to see that the bulk—I suppose it must be something like 95 per cent.—of the exports are taken by Germany, Italy and Spain. Now, these countries will not allow a single tanned hide or piece of leather to be imported into their countries from India. They have built a strong tariff barrier against it. They take the raw hides but they will not touch our tanned leather. I consider the tanning industry is seriously hit by this large export of raw hides and under the circumstances I think that I am quite justified in asking the Government of India to reconsider the question and put up the duty again to its old figure of 15 per cent.

There is another point I would rather like to refer to. Reference has been made on several occasions to the large sums paid in income-tax by Bombay and Bengal in comparison with the other Presidency. Now, you have only to look at the figures to see how very favourably Madras compares with either Bengal or Bombay as to the amount of income-tax collected. Madras collects very nearly half as much in income-tax as Bombay does. Now, when you consider the wealth of Bombay as compared with the wealth of an agricultural province like Madras, I think you will agree that Bombay ought to collect at least ten times as much as Madras. Another point in the case of Madras is that the big produce firms, who do 90 per cent. of the produce business, the banks, insurance companies, shipping companies and large business firms have their head offices in Bombay or Calcutta and their income-tax is paid in those towns; it is not paid in Madras. Now, in any consideration of the question Madras should be given credit for this. As I said before, I consider the amount collected in Madras compares very favourably with Bombay and Calcutta. You must study the figures and compare the wealth and income in each place.

[Sir Gordon Fraser.]

I suggest to the Honourable the Finance Member that it signifies a considerable leakage in Bombay and Calcutta, and I would also suggest to the Honourable the Finance Member that he should try the experiment of swopping the staffs of the different principal towns. If he would put our Madras staff, the superior officers and the subordinates, in Bombay or Calcutta, I would like to bet him ten to one that he would double his income-tax receipts. Try the experiment and see.

Mr. K. Venkataramana Reddi (Guntur *cum* Nellore: Non-Muhammadan Rural): As a representative of a rural constituency and having been mainly dependent on agriculture, I can only look at the Budget from a cultivator's point of view. India, Sir, is essentially an agricultural country and her prosperity must be, for many years to come, dependent mainly on her agriculture. "The natural advantages of climate and soil, the abundance of labour, the industry and thrift of the peasantry and the accumulated experience of generations engaged in practical husbandry have enabled her not only to feed her vast population but to produce a large surplus for export and thus to purchase a steadily increasing amount of foreign manufactures". It is this large surplus for export that is made available by the industry and thrift of the peasantry that is enabling Government to get most of the 46·35 crores of revenue on customs. Mr. Ganguli in a letter to the *Times of India* says:—

"The policy of all stages of Constitutional Reforms given to India has been largely dominated by urban interests and only those familiar with rural life in India, realise to what extent the idea that Government do not stand by the rural classes is slowly creeping into their mind. * * * The danger lies here, and until the Government range themselves upon the side of the masses and remove those economic conditions which impede progress in agriculture and rural industries, no change in the constitutional machinery will soothe the growing revolt of the masses against the existing order."

Sir, no one who is really acquainted with the rural conditions in India, can deny the truth of the above remarks. Government, I am sorry to say, have almost from time immemorial exclusively concentrated their attention to please and placate the urban classes. They have all along been engaged in looking after the wants and requirements of the urban classes only. The rural population of India do envy the comforts that the urban classes enjoy in the way of splendid roads, universities, good hospitals, etc. While the latter get all the amenities of civilised life, the former have had to be content with profuse lip sympathy. Sir, the British nation boasts of its being the guardian and the trustee of the Indian masses and this half-truth is given as a reply whenever a plea for constitutional advance is put forward.

Sir, it is well known that 90 per cent. of the Indian population lives in villages and it is an irony of fate that in ninety-nine out of a hundred villages there are no amenities of civilised life. All that this 90 per cent. of the Indian population can boast of is ill-paved and ill-lighted lanes and no facilities either for education or medical relief. Professor Rushbrook-Williams has well put it when he says in his book, "India in 1923-24," that the average village is little better than a collection of insanitary dwellings situated on a dung-hill. If the villager wants to educate his children, he has to send them far away from his abode and if his relations are sick, he has to take them to a distant town for medical advice. Sir, this is a pathetic and miserable state of affairs and it has led to the very real discontent of the masses who feel almost every moment of their lives

that the Government are extremely unsympathetic towards them. Sir, the masses constitute infinitely more than the urban classes to the State exchequer and it is the latter who reap all the benefits. Of course, they do not grudge them their due but it is painful to notice that they are woefully neglected, which has left them discontented. If Government had shown even a tithe of the sympathy and solicitude for their welfare which they have shown for the urban classes, they would not have been so discontented and disappointed to-day as they assuredly now are. What is wanted is a clear and comprehensive programme to help the masses out of their social and economic bondage, and if such a programme is framed and earnestly and vigorously worked, it is still possible to convince them that Government are not unmindful of them. Sir, I ask Government to justify their words that they are the custodians of the masses by sympathetic action. I am not unmindful of the fact that all the Departments of administration which deal with the masses, are under the rules cast to the lot of the provinces and that they are also transferred. But no one can deny that even the Central Government revenues are to a large extent derived from the labour and industry of the masses. Sir, the task of uplifting them from their abject poverty, ignorance, disease and indebtedness, has to be undertaken, and the sooner it is done the better. Sir, in this connection I heartily endorse the suggestion put forward by Mr. Ganguli for the appointment of a Commission to conduct an exhaustive inquiry into the rural conditions of India, so that Government may formulate a comprehensive scheme for revitalisation of rural India. Such a step as Mr. Ganguli rightly remarks would at once show that "the present Government was truly solicitous for India's economic welfare, and that Parliament did not absolve itself from the responsibilities of improving the lot of the masses." Recently I read in the papers with much delight that Lord Birkenhead is contemplating the appointment of a Royal Commission to investigate into the conditions of rural India with a view to improve its lot. I do not know how far it is true and I would heartily commend this problem to the Government of India, for after all, it is they that have to make a move in this matter, and unless rural reconstruction is undertaken in the near future, the discontent of the masses may take a deep root, which, I submit, may endanger the safety of India.

As I have pointed out already, agriculture is the mainstay of the rural population of India and it is imperatively necessary that the modern scientific methods should be brought home to them. Ever since the Agricultural Department was inaugurated in 1904 by Lord Curzon, Government, it must be said in all fairness, are doing something in the matter but their efforts in this direction are far too disproportionate to the real needs of the country. The demonstration farms established are very few indeed compared with the population who are engaged in this occupation and the area cultivated. Sir, though the Indian peasant is conservative, he readily adopts the scientific methods, if their utility is brought home to him and I submit that unless this is done by establishing demonstration farms at least one in every district, if not in every Taluq, the utility of the Department cannot be felt to an appreciable extent. These farms should be attached to schools established to teach modern methods of agriculture in the vernacular. I hear that a new scheme teaching scientific agriculture in the vernaculars was inaugurated in the Punjab. I would desire such a scheme extended to every province in India. Sir, it must be painful for this House to hear that the total charge at present involved to satisfy the needs of agricultural improvement in this country

[Mr. K. Venkataramana Reddi.]

is $\frac{1}{2}$ d. per acre per annum, while the average burden that per head of population bears in paying land revenue ranges from Rs. 2-1-0 to Rs. 4-13-0. There are many disabilities which the Indian cultivator suffers from the land revenue system as at present obtaining. I do not know what the reasons were that led the Government of India to exclude land revenue from the scope of the Taxation Inquiry Committee. Sir, here is a signal proof that the Government does not care very much for the interests and welfare of the cultivator.

Sir, the Indian cultivator at present mainly depends upon his cattle for agricultural operations. There are about 146 million cattle in India and it is humiliating, Sir, to hear that 60 per cent. of the cattle are underfed. Numerous cattle die every year from diseases and the veterinary hospital established by Government are few and far between. There are not more than 600 veterinary hospitals for the whole of India and no wonder that timely help and advice are not available to the peasant to save his cattle from wholesale destruction at times.

Enormous economic loss is caused by the inaccessibility of the agricultural districts in the rainy season as the total mileage of metallic and non-metallic roads is only 216,000.

The Post Office facilities, not to speak of telegraphic, are very few indeed compared to the number of villages in India and no appreciable progress is made in spite of the increase in postal rates.

In the matter of cotton cultivation, it is pleasing to see that Government are doing something in this direction. The main reason why Indian cotton suffers from not securing the first place in the world market is the illicit admixture that has been going on between the long staple and the short staple cotton. The Cotton Pressing and Ginning Bill, if passed into law, is a useful measure in this direction and let us hope that Government will do its best to prevent this admixture which is depriving the cotton cultivator from getting the maximum price for his cotton in the world market.

Sir, it is with some regret that I bring to the notice of the Government the fact that the Indian cultivator is suffering a heavy loss from the depression in the indigo trade. Indigo cultivation at any rate in my parts is the second crop which the *ryot* looks to after the harvest of the first paddy crop. 90 per cent. of the cultivators have given up cultivating indigo plant because the game is not worth the candle. We all know that the synthetic dye from Germany is at the bottom of the depression in this useful cultivation of indigo plant and Government's unsympathetic attitude towards the Indian peasant is again revealed in not putting a heavy duty on the German dyes to give relief to the indigo industry in India. The other day I put a question on this subject and the Honourable Mr. Bhore was unable to say anything more than that information was being collected. In the matter of manures which the Indian peasant is in great need of, Government have done very little. The Board of Agriculture recommended that certain steps should be taken to improve the Indian fertilisers and Government have not seen their way as yet to adopt them. In reply to another question of mine on this subject they said that they were awaiting certain other papers in this matter. In this connection I have to bring to the notice of the Government the permanent and irrevocable loss that the productive capacity of the Indian soil suffers from the export of bones, and its continuance is to be regretted because the Indian mineral resources

are not abundant in phosphatic deposits of value and in a country where the predominant industry is agriculture the most deleterious effects on the productive capacity of the soil are seen in the continued exports of phosphates in the form of bones. During the year 1898—1913 the annual export of bones from India amounted to nearly 100,000 tons valued at £361,129. I wish the Government would come to the help of the agriculturists of India by putting a heavy embargo on the export of the most valuable manurial agent in this country.

In connection with the sugar-cane industry Government have neglected the interests of the Indian cultivator. India, in spite of the abundant facilities to grow sugar-cane, is not able even to cope with the demand for internal consumption, not to speak of exporting that commodity. India imports a large quantity of sugar, the import in 1922-23* amounted to 442,000 tons and much scope in the expansion of sugar-cane cultivation in India is evident from the fact that on account of the duty imposed by Government on foreign sugar for revenue purposes, the production of refined sugar in India increased from 2·59 millions to 2·93 million tons and is bound to increase more if necessary steps are taken by Government. The Budget, Sir, contains very little which is helpful to the Indian peasant except perhaps the short relaxation given to the provinces, which, I am sure, would be utilised by them for his betterment and he longs to look forward to the day when the provincial contributions are not counted upon by the Government of India for their upkeep.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): *Sir, the only reason why I wish to intervene in this debate is the speech made by His Excellency the Commander-in-Chief. Sir, the pronouncement which he made on behalf of the Government of India is one which in my opinion is not only amazing but most disappointing. We cannot allow that pronouncement on behalf of the Government of India to pass unchallenged on the floor of this House. I therefore, Sir, do not wish for a single moment that the impression should go abroad that we were sitting here silently.

^{3 P.M.} But I do not wish to deal with that pronouncement on this occasion. I shall seek a proper opportunity and I shall at once give notice of a censure on the Army Department when that head comes up before us for discussion. Then, Sir, we shall thresh out this question of the Indianisation of the Army once more and I hope that I shall be able to convince this House that the Government deserve absolute condemnation and censure.

Mr. Chaman Lal (West Punjab: Non-Muhammadan): Sir, the only reason for my getting up to speak on this occasion is to offer a comment on the speech delivered by His Excellency the Commander-in-Chief, and I am glad to note that the Honourable Mr. Jinnah has made it clear that this House does not accept the pronouncement of His Excellency the Commander-in-Chief and that we are prepared to condemn that statement of His Excellency without the least reservation. What is that statement? That statement amounts to this that in the opinion of His Excellency the Commander-in-Chief the time has not come, the time is not likely to come for centuries, for the Indian Army to be Indianised, and the reason he gives is this, that he will not go in for any rash experiments, that he is convinced that India is not a nation and that therefore it is impossible for him to concede the demand for Indianisation made by the representatives of the people of this country. It is, to my mind, a most amazing argument.

* Not corrected by the Honourable Member.

[Mr. Chaman Lall.]

India is not a nation, therefore India must not have an Indian Army! His Excellency said that India is not a nation. The moment that His Excellency made that statement there were shouts from all parts of the House questioning the validity of that statement. Sir, the mere fact that we are here from all parts of India representing our country is enough to prove that we are a nation and that we stand as a nation to demand our rights. Does His Excellency know that France was once not a nation in the modern sense and yet France had a national army? That Germany in the sense in which he uses that expression was not a nation and yet Germany had a national army? Does he not know that the various distinctions that he has brought forward in this House between caste and creed are prevalent with equal effect in all countries in the West? If you go to England and see the division between class and class in that country you will find a division there the kind of which you do not find here in India. You will find different classes separated into watertight compartments, speaking different languages, and with manners different. My Honourable friend scoffs when I refer to the question of language. Perhaps he speaks a very refined language himself and has never come across those who are generally known as cockneys in England. Let him go down the slums in England and see whether the language spoken there is the same that he speaks. He will find that there is a world of difference between the language spoken by him and that spoken by the poor slum dwellers. You will not find in this country that accentuated social division between the rich people and the poor people so distinctly marked out as you find in western countries. Caste has been brought up time and again and thrown in our face in order to divide us. Does His Excellency not realise that that system known as the caste system is merely an economic system and not at all a religious or a political system? (*A Voice*: "Social.") My Honourable friend says it is a social system. He does not know Indian history. Let him look at Indian history and he will find that it is an economic system and not a social system. Sir, I am really surprised that any person in high authority should take it upon himself at this hour in the history of our country to say that because India is not a nation therefore the Indian army shall not be nationalised. I believe, if I am not mistaken, that the Army Department themselves consider that, if they were to Indianise the soldiery—take one department alone—India would thereby be saving a sum somewhere near Rs. 9 crores every year. Why is it that they will not Indianise the Indian army? They will not do it because the Indian army is not used for Indian purposes at all. It is not carrying out an Indian policy. It is carrying out an Imperial policy. The Indian army is kept in this country, not to safeguard the interests of this country but to safeguard the interests of Great Britain throughout the East, to safeguard that policy of Imperialism which Great Britain has taken upon herself to advocate throughout the East. If you say that you do not agree with me, perhaps you will permit me, in order to convince you, to read to you just one little extract. (*A Voice*: "From whom?") From whom! If you will only wait and have a little patience I will give you the name of the author. Perhaps you have heard the name of Mr. Buchanan who was a member of the Government of India. He said:

"In so far as the military defence of India is concerned, India pays everything and the United Kingdom nothing, and yet the maintenance and the military defence of India is one of the greatest of Imperial questions. The military strength of India is the main factor in the strength of our Empire in the East. In virtue of that strength Great Britain is a great Asiatic power."

I will give you another quotation and will give you the name of the author lest my official friend on my left should feel suspicious. The name of the author is no less than the Government of India themselves. The Government of India in the year 1896-97 spoke with great frankness in the quotation that I am going to read:

"Millions of money have been spent on increasing the army in India, on armaments and fortifications to provide for the security of India not against domestic enemies or to prevent incursions of warlike people of adjoining countries but to maintain the supremacy of British power in the East. The scope of these great and costly measures reaches far beyond Indian limits and the policy which dictates them is an Imperial policy. We claim, therefore, that in the maintenance of the British forces in this country just and even liberal views should be taken of the charges which should legitimately be made against Indian revenue."

This is what the Government of India once thought and it was a very different cry from the one that we have heard this afternoon from His Excellency the Commander-in-Chief. Not one word has been said about that policy, that Imperial policy which governs the maintenance of the British army in India. That is the root cause, that is the real reason. Why don't you be honest with yourselves and honest with this country and say definitely that you are maintaining the British soldiery in India not because you want to safeguard the interests of India but because you want to safeguard the interests of the British Empire in the East? That, Sir, is the sole reason, and it is no good coming here and trying to rake up reasons which are no reasons at all and give us excuses which are mere pilfering, prevaricating excuses, and say that India is not a nation and that therefore the Indian army shall not be nationalised. You have noticed how in the furtherance of this policy of Imperialism in the East the army expenditure has gone up by crores year after year. In 1864 what was your expenditure? Rs. 14½ crores. To-day what is your expenditure? Rs. 57 crores. You say you have brought down your expenditure by Rs. 30 crores during recent years and that it is a great feat that you have performed! I say it is up to you now to bring down that expenditure to the minimum. Remember the needs of this country. Remember that India does not require an army of the magnitude that you instal here. You have got this army because you know that British rule would be impossible without a standing army of this nature. You know that. You do not want to Indianise the army because the moment you do that you are afraid your rule in India and your sway in the East will be at an end. Let us be honest. Let us not take shelter behind arguments which are false arguments, and reasons which are no reasons at all, and let us commend to the House the view taken by the Government of India once upon a time—a view which the Government of India to-day would do well to foster and to follow.

Mr. E. Burdon (Army Secretary): Sir, in the short space of twenty minutes which is allotted to me it would be physically impossible to answer all the points which have been raised by Honourable Members in the course of this debate, and if I do not touch on certain matters, I hope that Honourable Members will understand that I shall be perfectly prepared to discuss them outside the House, and in particular, to discuss those suggestions for the improvement of our procedure which have been put forward by my Honourable friend Sir Sivaswamy Aiyer. I naturally will not deal on this occasion with the question raised by my Honourable friend Mr. Jinnah since he himself has merely given notice of his intention to raise it on another occasion. I also do not propose to deal with the points raised by those of our critics who seem to regard the army as an institution which

[Mr. E. Burdon.]

may perhaps be useful in war but is an unnecessary expense in peace. My Honourable friend from Bombay, Mr. Cocke, I think, has sufficiently answered those arguments. I also do not propose to attempt to answer what was said by my Honourable friend Mr. Abhyankar except to express my astonishment and a certain amount of dismay that he did not know of the existence of the Indian Ordnance factories and of the work which they perform. In those factories there are manufactured not only all the rifles which are used by the Indian army but also artillery of certain calibres and in addition some of the most complicated component parts of modern artillery and other lethal equipment. There is not the slightest doubt that the Indian Ordnance Factories are amongst the most valuable military and industrial assets of India.

Mr. Rangaswami Iyengar: Are there any Indians in those factories?

Mr. E. Burdon: I have stated the facts on that point on several occasions to this House and I may add that His Excellency the Commander-in-Chief at the present moment has under consideration a proposal to provide facilities by which Indians who have obtained the necessary engineering degree may obtain in the factories workshop experience as probationers, which it is otherwise difficult for them to obtain.

Now, Sir, there is one point which has been raised in debate to which I think I must give an answer. It is the suggestion that Government have not carried out what they should have carried out inasmuch as the estimates for next year have not been reduced to the figure of 50 crores mentioned by the Inchcape Committee. I am not going to do very much more than mention the point because I am quite sure that Honourable Members of this House know perfectly well that the report of the Inchcape Committee never envisaged the possibility of the reduction of military expenditure to 50 crores in 1925-26. A study of the exact terms of the recommendations of the Committee would, I think, lead to the impression that the Committee did not even expect us to get down below 57 crores in 1925-26. The fact is, of course, as was stated by His Excellency the Commander-in-Chief this morning, that we have passed to some extent the first objective laid down by the Retrenchment Committee and I wish to emphasise in this connection that in regard to certain specific matters also we have effected more economy than the Inchcape Committee proposed. I am referring here to the reduction of the garrison at Aden and in the Persian Gulf and also to the very considerable reduction in the number of medical officers of the superior grades in the military medical services. Again, Sir, I venture to submit to the House that my Honourable friend Mr. Goswami did not do full justice to the military estimates for next year. He dwelt a good deal on certain non-recurring items of receipt which the estimates contain but he did not mention with equal emphasis the non-recurring items of expenditure which also occur, particularly a very large item of 170 lakhs for terminal charges connected with the disbandment of surplus officers. My Honourable friend also suggested that there was large military expenditure which is not classified under the military head. Well, Sir, it is a very difficult thing to say where military expenditure ends and civil expenditure properly begins and I do not propose to discuss that point. The essential point to look to is whether we are comparing like with like, and so far as the military estimates for next year are concerned, I can safely say that they exclude no charge which was previously classified under these estimates. On the contrary, they include next year

a new charge which has never been debited to the military estimates before, namely, a sum of 13 lakhs for printing and stationery. This change is in pursuance of the process of commercialising army accounts which has been going on for some time. Honourable Members will remember that attention was drawn last year to the fact that the army estimates now includes charges on account of customs duty for imported military stores. I can assure the House therefore that the Honourable the Finance Member's appreciation of the military estimates for 1925-26 and the relation which they bear to the estimates of previous years is substantially correct and is certainly more correct than that which my Honourable friend presented to the House. As His Excellency the Commander-in-Chief stated this morning, we have in mind certain further economies and I feel therefore that the Honourable the Finance Member is fully justified in his prophecy, or perhaps I had better describe it as a hope, that the military estimates for subsequent years will fall below the figure which it is proposed to adopt for 1925-26.

Now, Sir, there are one or two specific matters to which I think I ought to refer and one is an observation made by my Honourable friend Sir Purshotamdas Thakurdas. He will correct me if I do not quote him rightly but my impression is that he said that the Inchcape Committee recommended a reduction in the value of army stocks from 22 crores to 11 crores of rupees.

Sir Purshotamdas Thakurdas: One-half.

Mr. E. Burdon: I am not quite sure from what part of the report he arrives at this conclusion. The Committee recommended a definite reduction of 6 crores under Ordnance services—page 33 of the report is the passage—including 50 per cent. under war reserves which then in total amounted to only 6½ crores of rupees. I presume my Honourable friend was thinking of this 50 per cent. when he applied it to the whole stock of 22 crores of rupees.

Sir Purshotamdas Thakurdas: I am afraid I have not got my copy of the report with me but I am sure lower down Mr. Burdon will find that the Inchcape Committee definitely say the country simply cannot stand this and they recommended the stocks being reduced to half.

Mr. E. Burdon: I have had the matter very carefully examined. I can only find 50 per cent. in regard to war reserves. I may say however that a reduction of 6 crores of rupees in stocks has been effected, though not under Ordnance stores alone: and as for the 50 per cent. of war reserves it was not possible to take an arbitrary money basis for reduction of war reserves since these are based not on the value but on the quantities of particular categories of articles which are necessary to meet wastage in the first months of hostilities until new stocks can arrive. The total establishments of war reserves are now being completed and it is hoped that there will be a material reduction of the amount of capital which it will be necessary to lock up in this way. I can give my Honourable friend in another place fuller details of the reduction which have been carried out if he would like to have them.

Sir Purshotamdas Thakurdas: What about the suggestion that I made that in the budget figures or in the appendices attached to the military estimates a complete statement of the stocks held by the Military Department be attached from year to year?

Mr. E. Burdon: That is one of the suggestions for the improvement of the form of our estimates which will be considered.

Sir Purshotamdas Thakurdas: May I take it then that the Army Secretary considers this suggestion feasible?

Mr. E. Burdon: I am not the Financial Adviser now. I am afraid I must consult the Finance Department before I can say whether it is feasible or not.

Sir Purshotamdas Thakurdas: I was not likely to make a mistake so far as the Finance Department is concerned but my point was whether from the Army Department point of view there would be any great difficulties in bringing up a statement like that from year to year.

Mr. E. Burdon: I think I can say that there would be no military objection.

Sir Purshotamdas Thakurdas: I hope then the Finance Department will like it very much.

Mr. E. Burdon: There may be difficulties in bringing it up to date and making it accurate, but I think what the Honourable Member wants me to say is whether there would be any military objection. From the purely military point of view I do not think there would be, Sir.

Now, Sir, there is another matter on which I think the House as a whole would like to have a statement from me. His Excellency the Commander-in-Chief informed the House that the question of revising the rates of pay for officers of the army in India, which as the House knows has been under consideration for a long time, has now been decided, and His Excellency said that I would give some explanation of the reasons which made a revision necessary. Well, Sir, I find that statements have been made to the Assembly on this subject on a number of occasions. On the 6th June, 1924, Mr. Pate answered a question on the subject put by Mr. Rangaswami Iyengar. On the 15th September, 1924, I myself answered a further rather lengthy question put by the same Honourable Member. On the 19th September, 1924, I answered a question on the subject put by my Honourable friend Sir Sivaswamy Aiyar, and again in January, 1925, I answered a question of my Honourable friend Mr. Ramachandra Rao. In addition the matter was mentioned by the Honourable the Finance Member speaking in the debate in the Legislative Assembly in September, 1924. I must also refer the House to the announcement which was made in the press on the 5th January last. On each occasion that the matter has been mentioned a general indication has been given of the principles on which consideration of this matter was proceeding, and I can now say that the final decision conforms very exactly to the principles then stated. In the first place I wish to make it clear that the revision of the rates of pay of army officers in India has not been based upon a fall of prices in the United Kingdom or upon a rise of prices in India. That is not the determining factor. The fundamental reason why it was necessary to review the pay of the army officer may be stated as follows. Army rates of pay, so far as King's commissioned officers are concerned, rest ultimately on the pay given to the British Service officer in the United Kingdom, for the reason that we employ British officers in this country and for the further reason that Indian Service officers, whether these are British or Indian, are officers who hold commissions in the army as a whole and not merely in the Indian Army.

Now, in 1919, when army pay was revised in England, different rates of pay were introduced for married and unmarried officers. We did not adopt this particular feature in the corresponding revision of Indian rates, and I think it may be admitted that it was rather unfortunate that we did not do so; for it is clear that by adopting a flat rate of pay with no differentiation we ran the risk of paying the married officer less than he was entitled to claim on the basis of the Home rates, and the risk also of paying the unmarried officer more than was absolutely necessary. In actual fact our experience between 1919 and 1924 proves that the omission to adopt differential rates of pay for married and unmarried officers has been productive of inequalities and difficulties, and the principal feature of the rates of pay which are now being introduced is that the married officer will receive higher emoluments than the unmarried officer. In a large number of cases the unmarried officer under the revised rates will receive smaller emoluments than he has received during the past five years. I think Honourable Members will appreciate at once that the facts which I have just stated constitute a vital difference between the proposals for the increase of army pay and the proposals put forward by the Lee Commission in regard to the pay of the superior civil services in India. They started from a different origin and are based upon a different foundation altogether. The revision of pay has not of course been confined to the introduction of married and unmarried rates. There are certain anomalies introduced in the rates of pay in 1919, accidental anomalies, such as dual rates of pay of rank in the Indian Army, which experience has shown to be undesirable and which we have now corrected. In certain cases also we had to increase the rates of pay because the rates adopted in 1919 were too low; and I wish to mention to the House in this connection that at the present moment we are under a good deal of anxiety as regards the supply of officers for the army in India. We have in the recent past had cases of British Service officers who on financial grounds alone were prepared to resign their commissions rather than proceed to India for a tour of service. We have also had experience of valuable and experienced officers of the Indian Army being unwilling to remain on because the rates of pay of the appointments to which they could hope to succeed were not sufficient to meet the expenses of those appointments. We have in the recent past also had the disquieting experience that we cannot obtain the number of recruits that we require from Sandhurst. We hope that this is only a temporary phase, but it is certainly a disquieting phase of the situation. (Mr. A. Rangaswami Aiyangar: "Those are the considerations which were present to the Lee Commission also.") Quite so. Apart from the revision of pay proper it has been decided to grant certain miscellaneous concessions to army officers. The first and most important of these is the grant of free passages to Indian Army officers and their families. And here I should like to say that in my opinion the Indian Army officer has a specially clear claim to the grant of passages. The British Service officer who comes to India for a short tour of service is as a matter of course transported backwards and forwards at the cost of the State. But the Indian Service officer who serves continuously in India stands in even greater need than the British Service officer of periodical visits to his native country; and the necessity of giving some form of passage concession to this class was recognised some four or five years ago. The Indian Army officer of course had at all times the possibility of getting an indulgence passage. It was a hope, however, that was more frequently disappointed than realized. The indulgence passage there was supplemented in 1921 when the Government of India sanctioned the provision of free passages to Indian Army officers.

[Mr. E. Burdon.]

who had to take leave on medical certificate. We are now proposing to put the matter on a uniform footing. The Indian Army officer will surrender the concessions including sick leave passages, which he has hitherto enjoyed, and instead will be granted a certain number of passages in the course of his service on the lines of the concessions granted to civil officers. We are also doubling

Diwan Bahadur M. Ramachandra Rao: Will you please tell us also what is the maximum number of passages to be given to military officers?

Mr. E. Burdon: The maximum is four.

Diwan Bahadur M. Ramachandra Rao: The same as for civil officers, as recommended by the Lee Commission?

Mr. E. Burdon: Generally the same. We are also doubling the mess allowance of Rs. 10 per month per head. Here, again, we are merely extending to the officers serving in India equal treatment with that which British service officers have always enjoyed in the United Kingdom where messes and their equipment are provided almost entirely at the expense of the State. The mess allowance hitherto paid has of course fallen far short of meeting the cost of messes; and in order to remedy this, we propose to double the mess allowance. Another concession is that of separation allowance. I do not think any Honourable Member will doubt the justice of this concession. It is an allowance to be given to officers serving in stations where their families are not allowed to accompany them. A separation allowance in somewhat similar circumstances is now granted in the United Kingdom; but it is obvious that the necessity for such an allowance is much greater in India, where, to start with, the officer is not living in his native country, and where also the stations in which an officer's family cannot reside with him are more numerous.

Dr. K. G. Lohokare: Will you give it to Indians when they are sent out?

Mr. E. Burdon: Certainly. It will be given for instance to officers who serve in Razmak where it is too dangerous for their families to reside with them—they will all be eligible for separation allowance.

Dr. K. G. Lohokare: All the officers?

Mr. E. Burdon: Indian officers as well as British officers. The Indian Medical Service officer in military employ will have extended to him the benefits conceded under the Lee Commission's proposals to Indian Medical Service officers in civil employ. That of course was inevitable. The permanent recurring cost added to the military budget, as the Honourable Finance Member has stated, is Rs. 45 lakhs; of which Rs. 5 lakhs represents the increased cost of the I. M. S. officer; 18 lakhs represents the cost of the passage concession; while the remainder represents the cost of the revised rates of pay, the additional mess allowance, and the separation allowance. The additional expenditure, as Honourable Members are aware, is included within the figure adopted for next year. The rates of pay will be announced in a few days, as His Excellency the Commander-in-Chief said this morning. The details of the scheme, I am afraid, be further

elucidated during the time at my disposal here, but Honourable Members will have an opportunity of comparing the details given in the Army Instruction, India, with the rates of pay set down in the existing Pay and Allowance Regulations.

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): Sir, I am not at all surprised or amazed at the speech of His Excellency the Commander-in-Chief. Instead of censuring him, I would like to most heartily congratulate him for the most frank, most straightforward and, may I say, most candid statement that he has made before this House. He has expressed not only his personal conviction, but he has expressed the view of the Government of India, of the British Government, and of every official and non-official European in this country. That is a view with which we are very much familiar, but as some of us were doubting whether that really was the view of the British officials and non-officials in this country or not, His Excellency the Commander-in-Chief has here cleared the atmosphere and told us pointblank what we should expect from the Government. To analyse his speech, he has told us, "You are not a nation, and therefore you should not for a long time to come expect a national army; you should not expect a substantial reduction in the military expenditure by the replacement of British officers and soldiers by Indian officers and soldiers, and thirdly, you must not expect any Indian Sandhurst in this country." These three things he has definitely told us. This is now the real interpretation of the Preamble of the Government of India Act, namely, the policy of His Majesty's Government is the increasing association of Indians in the administration of this country. That is the interpretation which we of the Indian National Congress have been putting upon it for a long time since the Act was passed, and to-day it has been confirmed by His Excellency the Commander-in-Chief (Laughter). Sir, the vote of censure to be moved by my friend Mr. Jinnah, is coming shortly—and I am told that already one notice of a motion has been given by my friend Mr. Kelkar on that very subject and we shall hear a good deal about it. But it is really, Sir, a humiliation to sit here and to be told to our face that we are not a nation, after 150 years of British rule to be told that the Indian people are not a nation, and that we should not expect a national army; that the Indianization of the army is impossible for a long, long time to come, and that the facilities for the training of Indian officers for the preparation for defence of our country are also a far, far-off cry. It is really a national humiliation. What is to be done in the circumstances, when we are told so after 150 years? That is the question of questions before us. We are helpless, circumstanced as we are. As my Honourable friend Mr. Abhyankar very rightly remarked, you have disarmed us from the start. You have as a matter of fact killed all our industries. You have kept us ignorant by withholding compulsory education from us; and what is more, you have impoverished the country to such an extent that more than half the people do not know what a second meal in a day is. That is the situation; and we are faced with a definite statement, in fact a challenge to those who ask for further rights, that "No, you shall not have it." Sir, the only thing left for us is to fight and fight and fight both here and outside and to prepare our people for a bigger and a nobler fight for freedom. I am very glad that this statement is very timely—it has come at quite an opportune moment. The Demands for Grants and the Finance Bill will soon come, and I hope no self-respecting Indian will agree to vote supplies to this Government which tell us to our face that we are not a nation, and that we should not expect anything from them.

[Mr. V. J. Patel.]

Sir, now I come to the Budget. (Laughter.) So long as we are here, we shall fight you inch by inch, and it shall be our determination from now and henceforth to fight this Government in this House inch by inch and to fight them outside by organizing our people for a nation-wide campaign of civil disobedience. Now, Sir, coming to the Budget, before I speak on the merits of the Budget, I should like to invite the attention of my Honourable friend Sir Basil Blackett to one mistake which I think has crept into the figures which he has given us. This mistake confused me for two hours the day before yesterday, and therefore I want to bring it to the notice of my Honourable friend and to ask him to explain whether I am right or his figures are right. In the Memorandum by the Financial Secretary (page 19) the total debt of India is given as 908.78 crores. Now if you turn to the speech of my Honourable friend Sir Basil Blackett you will find that the total debt of India, including the provincial debt, comes to 1013.71 crores, and the provincial debt amounts to 106.95 crores—I hope I am right—according to the figures quoted by him in his speech. If I deduct 106.95 from 1013.71, the debt of the Central Government comes to 906.76. Taking other figures, he has given the internal debt of the Central Government as 394.98 and external debt as 511.78. When I total them up, I find that the total debt of the Central Government is 906.76. I do not know how my friend has taken 908.78 as the total debt outstanding on the 1st of March 1925; and if we deduct the total debt outstanding on the 31st March 1923, which is 846.73, from the total debt outstanding on the 31st March 1925, which is 906.76, we come to a figure of 60 crores. This deduction is made for the purpose of calculating what provision is to be made for my friend's pet scheme of reduction and avoidance of debt. If you divide 60 crores by 80, you get 75 lakhs of which provision is to be made in addition to the usual provision of 4 crores which has been suggested in the Resolution of the Government of India on the subject. So, according to the calculations that I have made, the provision that need be made is 475 lakhs and not 477.50 lakhs, as he has suggested in this Memorandum. Perhaps my Honourable friend will explain this, because it involves a mistake of Rs. 2,50,000.

Now, Sir, before I go further, I should like to invite the attention of my Honourable friend Sir Basil Blackett to one statement which he has made regarding my speech on the Paper Currency Bill which was discussed a few days ago. There in supporting the amendment of my friend, Sir Campbell Rhodes, on that Bill, I stated that the Finance Member should act upon the particular provision of the Indian Paper Currency Act, which requires that the interests on the currency reserves should be used in reducing *ad hoc* securities, that is to say, he should not take credit to revenue for this amount but he should go on reducing the *ad hoc* securities year after year by substituting in place of them substantial securities. To that the meaning attributed by my friend in his speech is that I suggested contraction of currency. I never did anything of the kind. On the contrary, what I stated then—and I repeat it to-day—was that my friend should instead of allowing those *ad hoc* securities to continue as they are, put in some substantial securities and thus reduce the amount of *ad hoc* securities. I do not know how my friend makes out that I suggested that by this process I asked him to contract the currency. Certainly not.

Then I find another amazing statement in his speech, namely, that there is no difference between the *ad hoc* securities and the purchased securities. I beg to differ from that view. The *ad hoc* securities can be unlimited.

You have not got to pay anything. You have merely to sign a piece of paper and put it into your currency, while in the case of purchased security, you have got to pay cash down, so much amount. So, your power of purchase of these securities is limited to the extent you have got funds in your hands. You could not go further than that. That is the main difference. But let me make it perfectly clear that I am not only for the substitution of purchased securities in place of *ad hoc* securities, but I go further and say that if it is possible to substitute some other more substantial securities, namely, gold in the reserve in place of *ad hoc* securities, that would be certainly more preferable; but under the absurd 2s. ratio which you have still maintained and you choose to maintain in your Statute-book, it is not possible for you to do so. Even at the present day you can buy silver and reduce the *ad hoc* securities without any loss. But you would not do that. I would like my friend to buy sterling securities and replace these *ad hoc* securities. But I know he could not do it because currency would have to lay out 130 lakhs for every £100,000 treasury bills, and according to the Act which lays down that a rupee is worth 2 shillings, the said securities would be valued at 100 lakhs instead of 130 lakhs. These are the difficulties so long as you maintain that ratio. But you instead of helping my friend Sir Purshotamdas Thakurdas in restoring the old ratio, severely criticise him in a long lecture that you gave us the other day. In fact when I was listening to your speech of two hours the other day, I was wondering whether you were putting forward a laboured defence in justification of your currency and exchange policy and the policy of your pet scheme of reduction and avoidance of debt, or whether you were really making a Budget speech. I was all along wondering whether your intention on that occasion was to defend the policy of the Government, which has been so rightly criticised all over the country or whether you were presenting the Budget for the year. However, that is another matter.

Now, Sir, coming to the Budget, I find that several items of revenue and expenditure have been concealed by Government from time to time from this Assembly. This, I submit, is a wrong policy. Last year when you wanted to show a surplus balance and a prosperity budget, you came out with what you called a windfall then and said, "Here we have got a profit of 2 crores from the enemy ships," and you credited that to your revenue account and showed a surplus budget. It was your duty to keep the Assembly informed of all these profits and all this money all along. But all of a sudden you started a surprise on this Assembly and said: "You have got this money; you have unearthed the money," as if the money were going to fall from heaven. Secondly, the year before last as we could see now from the actuals of 1923, you have kept back two very important items from the knowledge of this Assembly. One is an item regarding 82 lakhs which you said you wrote off against the revenue on account of the discount on the rupee loan of 1923. And then there is another item of 3.41 crores which you said you wrote off against the revenue on account of loans and advances to the Persian Government. Now, these two items you kept back from the knowledge of the Assembly for all these years and never said a word about them, except when you wanted to do so to suit your purpose. I do not know what purpose you have in view in keeping these things to yourself and not telling the Assembly. Probably you wanted to inform us about them before you went to England and therefore you kept them back as my friend Mr. Jinnah very rightly remarks.

Then my further complaint about the Budget is that many items which are really votable and which should be put on the voted list have been put

[Mr. V. J. Patel.]

on the non-votable list. I will mention some of them. The item of 82 lakhs which you say you spent or wrote off against the discount of the 1923 rupee loan, you were bound in my humble judgment to place before the Assembly for its vote. You cannot spend one single farthing out of the revenues of India without putting the same by way of a regular motion before this Assembly except in respect of interest and sinking fund. But this amount is neither interest nor sinking fund and it was your bounden duty, according to the Government of India Act, to consult this Assembly and obtain its sanction before you could write off that amount of 82 lakhs. Similarly, a sum of 50 lakhs is proposed to be spent this year in what you call the service of the new loan and you have put down that item as a non-votable item. My submission to this House is that this item should be made votable and it is your duty to take it out from the non-votable list and place it in the votable list. You are not justified in spending this sum of 50 lakhs of rupees without asking the Assembly for the purpose, because after all it is a part of the Government of India revenue and all appropriations from the revenues of India are to be placed in the form of Demands for Grants before this Assembly except, as I said, certain specified appropriations in regard to interest, sinking fund, etc. As I pointed out, this is neither a part of interest nor is it part of a sinking fund and therefore you are not entitled to give out that sum of 50 lakhs towards the service of this rupee loan without the vote of this Assembly.

Similarly, you spent 3.15 crores towards the payment of what you call the Persian loan. You wrote off that item in the accounts of 1923. My submission is that you have no business to do it without consulting this Assembly. However defective, however unsatisfactory, however disappointing, the present constitution of the Government of India Act may be, you, at any rate, are bound to give effect to its provisions. But instead, you choose to spend that large sum of 3.15 crores without consulting this Assembly and have quietly put it in the account of 1923 and present your Budget in the year 1925. Similarly, my opinion, Sir, is that the capital portion of annual payments and redemption of liabilities assumed in respect of the British war loan should also be a votable amount. Unless it is otherwise provided by any Act of Parliament or any Act of this Legislature, you are bound to put it as a votable item. You cannot, without consulting the Assembly, pay it out. The same is the case with the capital portion of railway annuities. I do not know how you can, without consulting this Assembly, pay out this big amount of 173.64 crores. Similarly, if you look at another item of 97.21 lakhs for the 5 per cent. rupee loan, I do not understand how you can give it without putting it before this Assembly. These are some of the items which amount to crores of rupees every year and you have been spending these amounts without consulting the Assembly in spite of the distinct provisions of the Government of India Act in that behalf. I submit, Sir, this procedure is wrong and the Finance Member ought to take the earliest opportunity of setting these things right, of course if he agrees with me. But I know he will not . . .

Mr. President: The Honourable Member's time is exhausted.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, as we shall not have an opportunity of speaking after the Honourable the Finance Member has spoken, I should like to have an opportunity of speaking now.

Mr. President: The Honourable Member was not here when, at the beginning of the first day, I pointed out that Honourable Members would have three occasions on which to deliver speeches on the same subject.

The Honourable Sir Basil Blackett (Finance Member): Sir, I much regret that the cruel guillotine has come down and prevented Mr. Patel from presenting me in the House with more particulars and from taking advantage of this opportunity that is now before us for discussing financial questions on their merits. I am glad to see that he realises the tremendous improvements that the Reformed system has given which enables him to bring forward all these small points before the House. It has also enabled us to bring to his attention certain facts which were previously obscured perhaps in the Finance and Revenue accounts, of which he was not, it seems, aware. After this evidence of the tremendous usefulness of the Assembly under the reformed constitution, I hope that he will in future make the sort of speech that he made for the last 19 minutes to-day and not the sort of speech that he made during the first minute.

I am sorry that I have to disagree with him in all the points that he raised as regards the correctness or otherwise of my figures or of our procedure. (*Mr. V. J. Patel*: "I have no doubt about it.") I do not wonder that he was to some extent mystified by the figures in regard to the 908.78 crores which is the figure on which the provision for redemption and avoidance of debt is based. It is a figure which is arrived at after including that portion of the advances to Provincial Governments which contain no provision for repayment by the Provinces and after deducting the items in respect of which discount sinking funds are running. It is not obtainable, of course, directly from either of the two statements to which he referred. I should be quite willing to show him exactly how it is arrived at. But I can assure him that my figure is the correct one. I tried to make my speech as short as was reasonably possible and I have already been taken to task by Mr. Patel for having said things which might have been left out. I think that a detailed explanation of that particular figure which has already been given elsewhere was unnecessary.

I come now to his points in regard to what is votable and what is non-votable. He does not seem to realize that the service of the new loan means the interest on the new loan and the interest is quite clearly, under our system, not part of the sum which has to be voted by this House any more than it is in the House of Commons.

Mr. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Will you explain that point further. How it is interest?

The Honourable Sir Basil Blackett: It is the interest on the money that is to be borrowed. (*A Voice*: "Is it not discount?") The loan may be issued at a discount or it may not. If so, it no doubt includes the discount. I am not prepared to enter into details now on every one of these points across the floor of this House and Honourable Members had better let me continue my speech. I come to the point of the discount on the loan in 1923. That is equally clearly non-votable under the statutory position. If you will look at my budget speech of last year you will find that I spoke of the discount sinking funds as being treated as equivalent to interest. As regards the Persian item, that is clearly a political charge. As I am on the subject of what is votable and what is non-votable, which has been raised by several speakers to-day, I should like to draw the attention of the House again to

[Sir Basil Blackett.]

the table on pages 39 and 40 of the Financial Secretary's Memorandum showing the total votable and non-votable portion. There is a good deal of, I think misconceived criticism in regard to this matter. Let me first of all draw attention to the fact that, if you take the United Kingdom budget for this year, the total is 790 million pounds, of which 405 millions is voted and 385 millions is non-voted. I hope Honourable Members will not immediately say: Well, of course, that comparison is ridiculous!—because so it is in some respects. The comparison is not one which can be made in view of the very different circumstances of the two cases. But I draw attention to the fact that under the British system the whole of the interest and the whole of the sinking fund do not come under the vote of the House of Commons year by year nor do the salaries of the Judges or various other consolidated fund charges, as they are called, in respect of the Civil List, and things of that sort. There is quite a large total which is settled by Statute once for all and that is why I said the comparison is not one which you can make completely. But, so far as the opportunity for discussion year by year is concerned, the whole of the item for interest, the item for sinking fund, and several other items of importance under the English system do not come under review each year. Now, if you take the table on pages 39—40, you will see that, leaving out the question of capital, the voted amount is 97 crores 39 lakhs, the non-voted amount is 118 crores and 42 lakhs. Out of a total of 215 crores—you have of course to take gross figures in this connection—97 is voted and 118 is non-voted. Out of the 118 crores which is non-voted, 47½ crores represent interest and sinking funds which would not be voted under the British system being clearly a contractual payment and unavoidable. That excludes that part of the provision for sinking fund which in India is votable. Of the remainder, the big item is of course the military item which for special reasons under the system here is excluded from the voted items. So, if you compare the position with the position in England, you will see that the provision by which subjects come under annual review here (with the special exclusion which is contained in the Government of India Act) is really on the whole more generous in giving opportunities for discussion year by year than the position is in England. If you take the Provincial Governments into consideration as well, the total in their cases shows that the greater part of the expenditure there is voted. In the case of the Provincial Governments, for the year 1923-24 which is the latest year for which I have been able to obtain figures, out of a total of 76 crores, 61 is voted and 15 non-voted.

The debate that we have been listening to for the last two days has ranged over a variety of subjects. I do not propose to touch further to-day on the subject of military expenditure with one exception. I was asked by Sir Sivaswamy Aiyer in regard to the outstanding questions between the Government of India and the War Office. The position in regard to them is that negotiations have been proceeding; they proceeded with some vigour last autumn when His Excellency the Commander-in-Chief and Sir Bhupendra Nath Mitra were in England; and we are in hopes of making a very considerable advance towards an agreement, I do not say at once, but at a fairly early date. The House will remember the sort of figures that were mentioned; there is one which is generally known as the 40 million claim and there is another which is known as the East Persian claim. They are far very big amounts, though the figures we have now come down to are very different and I hope we may yet arrive at an agreement which will

settle these outstanding questions in a manner which I think everybody in India would regard as fairly satisfactory. I would like to add to that this. In the year 1923-24 we were able to take advantage of the opportunity of a surplus to clear our accounts of a troublesome item so that when the Persian Government repays us we may once more get a windfall instead of being in the position of having a sum outstanding against our accounts which has not been accounted for in our revenue expenditure accounts at all. We are in the position of hoping for the possibility of a windfall some time. When it comes it will no doubt be useful. In the same manner, if we are happy enough to arrive at an agreement with the War Office in regard to the claims now outstanding, there will, we hope, be a sufficient amount in the surplus for the current year much more than to cover the amount required by any such settlement, and it would, I think, be the right way to settle an outstanding claim of that sort, by settling it against the surplus of the year if we can arrive at that position in time.

Sir Purshotamdas Thakurdas was under the impression I think that the Persian Debt, which has already been written off, had something to do with this outstanding claim. They are two entirely separate items. The Persian Debt in question consisted of India's share of sums advanced, both before the war and in the early part of the war, to Persia, jointly with the United Kingdom. They have nothing to do with the claim of the War Office that India should take a share in the expenses for certain operations in East Persia, a claim which has always been vigorously repudiated both by Sir Purshotamdas and by the Government of India.

Mr. R. K. Shanmukham Chetty: Will the Government of England repay any part of the advance?

The Honourable Sir Basil Blackett: Certainly not.

Mr. R. K. Shanmukham Chetty: But you say you have given it jointly with the Home Government?

The Honourable Sir Basil Blackett: The Home Government have made the same amount of advance but they have already charged it off ten or fifteen years ago.

Sir Purshotamdas Thakurdas: I am reluctant to interrupt the Honourable the Finance Member but I wish to say that I have given notice of a Rs. 100 cut in that connection in order to enable this House to inquire into the question as to whether this was a liability of the Government of India or of the War Office.

The Honourable Sir Basil Blackett: Quite so. There was a claim from the East Persian Government for certain expenditure in East Persia, which the War Office has maintained was a claim for expenditure which the Indian Government should share. The money has been spent by the British War Office and they claim that we should repay half the cost. We have always repudiated any liability, and we continue to repudiate any such liability.

Diwan Bahadur M. Ramachandra Rao: Though we are paying for it, though we have already paid for it.

The Honourable Sir Basil Blackett: We have never paid for it. This East Persian claim has nothing whatever to do with the other matters which appear in the Budget.

[Sir Basil Blackett.]

Mr. Patel was more successful than I was in finding his name in the budget speech because I have looked hurriedly through the speech and I cannot find any mention of his name. But he says I accused him of holding certain views in regard to the use of the profits of the Gold Standard and the Paper Currency Reserve. I was not aware that he held these particular views but, if he will read my speech, he will see that I have endeavoured to answer perfectly plainly the point that he put just now. When you have a Government of India security held in the Paper Currency Reserve as cover for a note outstanding issued to the people of India, whatever form that Government of India security takes, whether it is a security purchased on the market or whether it is specially created for the purpose, in that position it becomes simply one I. O. U. covering another I. O. U. The question how much of the Government of India securities you should hold in the Paper Currency Reserve has to be considered on quite another basis. My point, therefore, is that the substitution of one form of Government of India security now for another form does not make any difference whatsoever to the healthiness or otherwise of the Paper Currency Reserve. I entirely agree with Mr. Patel that to issue *ad hoc* securities to the Paper Currency Reserve and take the money and spend it is a thoroughly unsound thing to do if you can help it. But that is quite a different matter. As I pointed out in that paragraph in my speech, the only effect of Mr. Patel's proposals is that if you do not treat this sum of about 3½ crores, I think, which we get as interest on the Paper Currency Reserve and on the Gold Standard Reserve as revenue,—the only effect of not treating it as revenue must be that you add to the amount of your sinking fund in one form or other. It is an addition to the amount that you are providing for reduction or avoidance of debt whether the debt you are reducing is *ad hoc* treasury bills in the Paper Currency Reserve or some other form of debt, so that, the proposal cannot amount to anything more than a proposal to add an extra 3½ crores to your provision for reduction or avoidance of debt. I do not think that even Mr. Patel really wants that to be done.

That brings me to the question of our provision for sinking fund generally. As I pointed out in my speech, the amount that we are providing will enable us to go on in exactly the same as we were going on up to last year, when we provided the actual existing sinking funds of the various loans together with a special sum of 80 lakhs for depreciation fund on the 5½ per cent. loan. The Government of India Resolution of last December was not issued until the matter had been nine months before the House and the country. I put it before the House very fully in my last budget speech and I hoped that it would provoke considerable discussion. It did not provoke much discussion in this House though it did provoke an interesting discussion on two occasions in another place and there was also some discussion in the country. It was on the basis of that that the Government have eventually arrived at the decision which is included in the Resolution. As I say, it does not represent any particularly large increase—only a few lakhs increase. So we are providing very much the same amount that would have been provided under the system in force up to a year ago, and it cannot be regarded as anything very much of a new departure so far as amount is concerned. It is really a systematising of the old position in a way that I think is clearly for the benefit of the country. It has also this advantage that it has brought clearly before this House and before the country and before our creditors all over the world the existence of a

reasonably adequate sinking fund: and I am afraid that the reason why there is a considerable invasion directed against this provision in the Budget this year is very largely because our accounts clearly state what it is and Honourable Members have discovered that there is something to raid. I do think it would be a very unfortunate thing if the effect of efforts made by the Finance Department to clarify the accounts so that Honourable Members may know exactly where they stand should be to create opportunities for undesirable attacks on particular provisions in those accounts or undesirable raids on our reserves or sinking funds of this sort. Mr. Patel has already made two or three complaints about facts not being before the House. They were before the House but they were not clearly brought before the House. If he had looked into the Finance and Revenue accounts of the last 10 years he would have found references to this or similar funds and if he had read the report of the Public Accounts Committee of this year he would have seen that this particular Persian expenditure, which he said we had concealed from the House, was clearly before it and commented on. (Mr. V. J. Patel: "For how many years?") It has been in the Finance and Revenue accounts for a large number of years for any one who chose to read them. The complaint, therefore, that it is not brought before the House is really a complaint that the Finance Department has been doing its duty and has enabled the House to understand what is already in existence in some of our blue-books. As regards the provision for sinking fund, as I have shown, it is not any considerable increase on the amount that was provided before. A raid on it, as I said to the House the other day, would in my opinion be thoroughly unsatisfactory from everybody's point of view. Whether a raid is effective or is not effective the result is that from the point of view of our creditors and all those who want to become our creditors, some damage—I do not want to overstate it—would be done to us in the eyes of our creditors. I hope that when the House comes to the voting of Demands for Grants, it will vote this item and show thereby that it supports the action that is being taken for the strengthening of India's credit. I tell them perfectly plainly that a cut of 70 lakhs this year would mean that within a couple of years we should be paying as interest what we should be now providing as sinking fund. The action of this House in supporting the Government of India's Resolution will have this effect that it will enable our conversion schemes for maturing debt that are now before us and our efforts for the purpose of raising additional sums required for our capital commitments to be successful in raising money at much more favourable conditions and save very considerable sums to the tax-payers, not of the far future, but of the next year or the year after or the year after that. Mr. Kelkar said that the policy of the sinking fund seemed to be an offer of "Jam yesterday, jam to-morrow but no jam to-day". I would suggest to Mr. Kelkar and to the House that any raid on the sinking fund means "Damn yesterday and damn to-morrow but do not damn to-day". I will not say much more on the subject of exchange. I recognise that the opportunity for entering deeply into the subject hardly arose. Speeches were limited to 20 minutes. I am not so fortunate as to be limited to 20 minutes. I shall say a few words but not many. Sir Purshotamdas Thakurdas has handed in at the table a statement of the distribution of our imports. I understand that the intention of it is to show that the greater part of our imports are brought in either for use by the well-to-do or to be used in trade and industry and that the amount taken by the primary producer is an extremely small one. I think that is the purport of it.

Sir Purshotamdas Thakurdas: That was. I thought the Honourable Member was going to criticise it after I explain it on the Finance Bill discussion.

The Honourable Sir Basil Blackett: I am only going to say a few words. I have not had time to study it. But I would point out that it does not really get very far in dealing with the question. The fact that imports are not consumed directly by the primary producer, even if it is a fact, has very little bearing on the matter. The primary producer may not buy much that is imported but everything that the primary producer purchases, whether it is internally manufactured or imported, is directly influenced by world prices. There is practically no wheat imported into this country. There is practically no rice imported into this country. The fact that exchange is 1s. 6d. instead of 1s. 4d. means however that wheat and rice are both considerably cheaper for the consumer than they would have been had exchange been at 1s. 4d. The consumer is directly interested in world prices and not with reference to the question whether an article is imported or not. Moreover, though the primary producer may not himself directly consume an import the prices of the great many things that he buys are directly affected by the fact that imports enter into the cost of production of Indian made articles. The point that I wish to make is this, that it is the general position of world prices and their reaction on the prices in India through the exchange that makes the exchange value of the rupee enter so largely into internal prices, and as I have said before, the difference between a high and a low exchange, provided it is not fluctuating very heavily, is one which after a certain interval has no real interest for India as a whole. What is important is that we should have stability and that prices should remain stable. A period of fluctuation is an uncomfortable one for everybody. If the rupee is going up or if the rupee is going down, some one is making undue profits and the relationship between one section of the public and another is being disturbed. What you want is to arrive, if you can, at a stability of prices first of all, and next in importance, of exchange.

Sir Purshotamdas Thakurdas: May I beg the Honourable Member's pardon for one more interruption? Would I be correct in inferring from what he has stated to-day that he agrees that a high exchange would depress the prices of the local produce in comparison with the world parity of prices?

The Honourable Sir Basil Blackett: I do not want to spend another quarter of an hour over that subject. I will leave it at that for the time being.

I have been accused of having made very cautious estimates. I have been accused of introducing a rich man's budget. I have been accused of having some kind of special grudge against Bombay. That last accusation is one which I do hope will not be made against me. I have very many good friends in Bombay and the last thing that I should like to feel is that any personal feeling of mine, or grudge against Bombay, or grudge against Calcutta, should be believed to have any effect on the policy that I should advise the Government of India to pursue. The result of this year's Budget may be a little less pleasant to Bombay as compared with—shall I say?—Madras. I can quite see that, but surely it is not to be put down to the form or nature of the advice that is given by me so far as

the provincial contributions are concerned, because the rate at which they are to be reduced is fixed by the Devolution Rules, and I do not go round and say, "I rather like Madras." Let us give her a large sum. Don't give anything to Bombay because I do not like her." That is not the way by which the Government of India arrive at the rateable reduction of the provincial contributions. They arrive at it on the basis of the Devolution Rules drawn up at the time when the Meston Award was made. We may or may not have liked the Meston Award or the Devolution Rules, but so far as I am concerned, all I have done is to accept them and follow them for the time being and I do not think that any Honourable Member in this House can really put his hand on his heart and say he would have expected me to do anything else. The accusation that this is not a poor man's budget was followed in some cases by an immediate demand that we should abolish or reduce the cotton excise duty. I would suggest that those two complaints against the Budget are mutually contradictory.

Mr. R. K. Shanmukham Chetty: It will cheapen the poor man's cloth.

Mr. Devaki Prasad Sinha: How will it cheapen the poor man's cloth?

The Honourable Sir Basil Blackett: I see that there is a clear understanding in the House of what I mean and I need not go any further into the matter. I was also told that it was not a poor man's budget because I did not decrease the postal rates. (*A Voice:* "And salt.") But the postal charges could only be reduced by taxing the tax-payer, not excluding presumably the poor man. Moreover I think we have to regard the reduction of provincial contributions as the equivalent of the reduction of taxation. We must regard it so as it means that we are reducing our claim on the provinces for them to tax their people in order to give us cash. The fact that they may or may not use that money directly for the reduction of taxation is a question which is within their competence, but we have to regard this as the equivalent, from the point of view of the Central Government, of the reduction of taxation. I think it is a little hard on a budget that gives Rs. 2½ crores away to the provinces and is going to lighten the burden on or increase the benefits of the agriculturists and others who are the special protégés of Provincial Governments that it should be accused of being a rich man's budget. I do not think it is a fair accusation against this budget. As regards the question as to whether we have been unduly cautious or not, I would put it to the House that the giving up, to all intents and purposes permanently, of Rs. 2½ crores of revenue is a matter which cannot be regarded lightly. It would be absurd to give up Rs. 2½ crores to the provinces this year and then have such a deficit next year that we should be obliged to try and ask them for more. It is a very serious matter for the Central Government to surrender this large sum. They have to be very careful in what they are doing, if they do not want to get themselves and everybody else into difficulties in the future. You cannot gamble in a case of that sort. The Government of India have proposed to keep in hand in addition to the Rs. 2½ crores a sum of Rs. 74 lakhs which will be there in case of any disappointment this year, in case the monsoon turns out badly and our customs revenue is reduced, in case something should happen which will render our estimate of exchange a risky one,—Railways do not matter much because we have separated the Railway Finance—in case any accident should happen this year. Rs. 74 lakhs may look a fairly large reserve this year, but it is a reserve not

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only against this year but against next year. As I have pointed out, only Rs. 18 lakhs of it is really a reserve against next year. The rest of it is represented by non-recurring receipts, so that we are only keeping in hand a reserve of Rs. 18 lakhs against the possibility of 1926-27 being a year when we have more difficulties than this year. You cannot, therefore, I think, justly accuse the Government of being unduly cautious when they are giving away Rs. 2½ crores practically permanently and keeping in hand only Rs. 18 lakhs so far as the recurrent revenue is concerned against possible difficulties a year or two years hence. These Rs. 2½ crores, remember, are lost to us annually for all time.

I may at this stage turn to one or two points made by my Honourable friend Sir Purshotamdas Thakurdas which I ought to have mentioned. They were made by others also. There was some complaint made that we charged the discount on the rupee loan of 1923 off against that year instead of spreading it over further years. As a matter of fact, 1923 was the first year in which the Government of India proposed in respect of the rupee loan to treat the discount otherwise than as a charge against the year. The discount sinking funds, to which allusion was made, were all in respect of loans raised in sterling. So far as the rupee loans were concerned, we had always followed the practice of writing off the discount against the year in which a loan was raised. That year it seemed rather a large charge to make, and as at the time there seemed to be doubt as to whether there was likely to be a surplus or a deficit, it was quite a reasonable thing to propose to spread it. But it was as a matter of fact an innovation so far as the rupee loans were concerned. When it was found to be unnecessary and there were good reasons for not introducing this innovation we wrote off the whole of the discount against the year 1928. I would point out to the House that the effect of charging it off against the year 1923 and not spreading it over a number of years is that we are enabled to show our surplus in 1925-26 at Rs. 4½ crores more than if we had spread it over a number of years because there would have been a charge of Rs. 4½ crores in respect of that discount in this year's Budget and our surplus would have been reduced by that amount. So that so far from our robbing the tax-payer of to-day by these machinations, he is actually better off by 4½ lakhs on the figures presented to him in the Budget this year and last year too.

There is only one other matter I should just like to mention in regard to Colonel Crawford's interesting speech which was mostly on military matters. He has unintentionally been a little hard on the Standing Finance Committee. He complained in picturesque language that we were not supplying weather information on the North-West Frontier with the result that we were risking the lives of aviators. The only reference that I can find in the Standing Finance Committee proceedings is the reference on page 159 of Vol. IV, No. 3, where a sum of Rs. 21,800 for equipping pilot stations at Karachi and Adoni and other instruments at Quetta and Peshawar and one or two other things for the purpose of supplying additional meteorological information on the North-West Frontier was passed by the Standing Finance Committee and that item is included in connection with this year's Budget.

Perhaps I may be allowed to make one reference before I sit down to those political speeches that have been made yesterday and to-day. I do hope that we are going to spend this month in taking advantage of the

opportunities, such as they are if you like, of discussing the details of our finance as well as of raising general points on individual votes. Mr. Jinnah has already stated that he intends to take his opportunity of raising the general question of the Indianisation of the army on the proper occasion. I do hope the House is going to take advantage of those opportunities in what I may call the constitutional method instead of adopting the system that really last year prevented our discussions from being fruitful. I think it was Mr. Bipin Chandra Pal who turned to the Government Benches a week ago and said that they must be feeling comfortable. May I say that 'comfortable' was not the right word to use? We were all in this House finding that morning a little uncomfortable. But I was to some extent myself compensated for the feeling of discomfort by the thought that not only was there a prospect of the Finance Bill being considered on its merits but that I was witnessing the birth pangs of the party system in this country and in this our constitutional legislature: and my belief is that nothing is going to help forward the development of Parliamentary institutions in this country more than the emergence of real parties genuinely divided from each other on great questions of principle.

The Assembly then adjourned till Eleven of the Clock, on Thursday, the 5th March, 1925.

LEGISLATIVE ASSEMBLY.

Thursday, 5th March, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

QUESTION AND ANSWER.

OBJECTS OF THE VISIT OF HIS EXCELLENCY THE VICEROY TO ENGLAND.

Mr. M. A. Jinnah: Sir, may I ask a question of which I have given private notice to the Honourable the Home Member?

(a) Is it a fact that His Excellency the Viceroy is going to England on short leave to confer with Lord Birkenhead?

(b) Will the Government be pleased to state the exact nature of Lord Reading's mission to England?

(c) Will the Government be pleased to state why no announcement on the subject was made in this House and the Government have left the announcement to be made by the Reuter's Agency?

(d) Will the Government be pleased to make a statement in this House as regards the matters to be discussed by Lord Reading with Lord Birkenhead and generally the purpose of his visit?

The Honourable Sir Alexander Muddiman: (a) Yes.

(c) An official communiqué was issued on Wednesday morning (4th) in the following terms:

"The Secretary of State for India in Council has invited His Excellency the Viceroy to come to England in April next for short leave not exceeding four months in order to secure an opportunity of personal discussion with His Excellency. The Earl of Reading has accepted the invitation.

His Majesty the King has been pleased to approve of the appointment of the Earl of Lytton, Governor of Bengal, to act as Viceroy and Governor-General during Lord Reading's absence on leave."

The announcement was made by communiqué both in England and in India as this was considered the most convenient, as it is the usual course.

(b) and (d). As stated in the communiqué, the object of His Excellency the Viceroy's visit to England is to secure an opportunity of personal discussion between His Excellency and the Secretary of State for India. All the more important outstanding matters relating to the affairs of India will doubtless be included in the subjects of discussion, but I regret that I am unable to make any more precise statement.

Mr. A. Rangaswami Iyengar: May I know, Sir, whether among the more outstanding questions which will no doubt form the subjects of discussion between His Excellency the Viceroy and the Right Honourable

the Secretary of State for India will be the Muddiman Committee's Report which will be published on the 9th? May I also know in that connection whether this House will be allowed an opportunity before it disperses of expressing its own views and also laying them before the Secretary of State before this discussion between the Viceroy and the Secretary of State takes place?

The Honourable Sir Alexander Muddiman: I should like to have notice of that question, Sir.

Diwan Bahadur M. Ramachandra Rao: Will it be possible, Sir, to indicate the more outstanding questions referred to by the Honourable the Home Member?

The Honourable Sir Alexander Muddiman: Not in a more precise manner than I have already indicated.

Diwan Bahadur M. Ramachandra Rao: Not in a more precise manner than saying that the more outstanding questions will be discussed. I should like to know what those questions are and to have a little more information on the subject?

The Honourable Sir Alexander Muddiman: What I said was that the more outstanding questions will be discussed. It is not for me to say what the Secretary of State and the Governor General will discuss, but they will be the more important outstanding questions.

Diwan Bahadur M. Ramachandra Rao: Are the Government of India in a position to state what those more important outstanding questions will be?

The Honourable Sir Alexander Muddiman: I have already stated in reply to the question put by my Honourable friend Mr. Jinnah that I am not in a position to make a more precise statement than I have already made.

Diwan Bahadur M. Ramachandra Rao: Have the Government of India made up their mind as to what those more important outstanding questions will be?

Mr. V. J. Patel: Is it not a fact that the Muddiman Committee's Report will be one of the main questions that will be discussed?

The Honourable Sir Alexander Muddiman: If the Honourable Member thinks it is one of the more important outstanding questions I should think it probably might. (Laughter.)

Diwan Bahadur M. Ramachandra Rao: Would it be possible, Sir, to make a statement about the outstanding questions even when the Government of India make up their mind and before the House disperses?

The Honourable Sir Alexander Muddiman: If the Honourable Member expects me to make a precise statement with regard to the matters that will be discussed between the Secretary of State and the Governor General, I am afraid it is not possible for me to do so.

Diwan Bahadur M. Ramachandra Rao: May I know, Sir, whether it is not desirable that Members of this House should know, at any rate in a form in which it is possible for us to know, what the outstanding questions will be, so that we may be in a position to discuss the subjects, as we may

have to make our representations both to the Viceroy and the Secretary of State?

The Honourable Sir Alexander Muddiman: The Honourable Member is in as good a position as I am to say what the more important outstanding questions are in which he is personally interested, and he is therefore in a position to make any representations to any authority which he considers desirable.

Mr. M. A. Jinnah: May I know, Sir, whether the Government of India propose to give an opportunity or to urge that an opportunity should be given for non-official representation at this discussion so as to assist the Earl of Reading and Lord Birkenhead in their discussion?

The Honourable Sir Alexander Muddiman: I think the Honourable Member can have no real doubts as to the obvious answer to that question (Laughter.)

THE INDIAN TARIFF (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Charles Innes (Commerce Member): Sir, I beg to present the report of the Select Committee to which the Bill further to amend the Indian Tariff Act of 1894 was referred.

THE INDIAN INCOME-TAX (SECOND AMENDMENT) BILL.

The Honourable Sir Basil Blackett (Finance Member): Sir, I move for leave to introduce a Bill further to amend the Indian Income-tax Act, 1922.

The purposes of this Bill are given in the Statement of Objects and Reasons. The position is that overseas pay drawn in sterling is liable to Indian income-tax. But under the law as it stands there are no very convenient methods of collecting it, methods convenient either from the point of view of the Government which collects or of the officer who is liable for income-tax. This Bill proposes to provide a convenient means.

I beg to move.

Mr. President: The question is:

"That leave be given further to amend the Indian Income-tax Act, 1922."

The motion was adopted.

The Honourable Sir Basil Blackett: Sir, I introduce the Bill.

THE INDIAN MERCHANT SHIPPING (SECOND AMENDMENT) BILL.

Mr. J. W. Bhore (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That the Bill to amend the Indian Merchant Shipping Act, 1923, for certain purposes, as amended, be passed."

Mr. President: The question is:

"That the Bill to amend the Indian Merchant Shipping Act, 1923, for certain purposes, as amended, be passed."

Maulvi Mohammad Shafee (Tirhut Division: Muhammadan): Sir, I thank Mr. Bhore for giving me this opportunity of expressing my views again on this subject. It has been a subject of very anxious consideration for me and I have been devoting all my time to it for solving it in a manner which might be acceptable to the Honourable Members of this House. I tried, Sir, to understand my Honourable friends who spoke on this subject the other day when it was brought up for consideration. I tried to find out whether they have got any reasons to advance for the purpose of thrusting this legislation upon the Haj pilgrims. I could not find, Sir, any argument they put forward in support of legislation. I thought I might be wrong and I might not have heard my Honourable friends. Therefore I read with very great care the speeches that were delivered that day in the small book that is supplied to us. I have read with great care all the speeches this morning as the book came to me late last night. I find that none of the speakers that day have advanced any arguments to support the position that legislation was necessary to force the pilgrims either to purchase a return ticket or to make a deposit. The speech of Mr. Hudson must have produced, I understand, some effect on the minds of the Honourable Members of this House, because he spoke that day from personal experience, as he said, and that he has been sympathetic to the poor pilgrims in Karachi. I have read his speech, Sir, twice this morning to find out if his speech shows any necessity for enforcing this system on the pilgrims by legislation. I admit he is very clear in all the points that he has raised. He has, I find, ruled out of his consideration one system, namely, the compulsory return ticket system. He says nothing on this point and I infer that he does not think that system to be workable and to be enforceable by legislation. As to the deposit system, all that he said would convince one that the system of deposit had become very popular with the pilgrims and that not one of the pilgrims complained to him about that system in Karachi last year. This argument of Mr. Hudson is all the more in my favour. If it has become so popular, why should the Government make it legally obligatory on the pilgrims to deposit. My sole objection is this. Mr. Hudson has not given any reason for legislation. Why should the Government force the hands of the Legislature to give them the power to punish all those who would not care to purchase return tickets or make a deposit. And this is all that I am contending for all the time. My object is that the Government should make arrangements with the shipping companies for providing return tickets to all those who want them, as well as make arrangements for making deposits not only for the return passage but for food and other necessities of life for those who want them. The shipping companies have the right to refuse those who do not pay for a return ticket if it suits them. They have got in the same way the right not to take any pilgrim on their ships if he does not deposit the return passage money with the Government, but this is the right of the carrier. Let the carriers impose their terms on the pilgrims and the pilgrims then will have the right to choose their carriers. It is the carrier then who will have to take pretty good care that his terms are attractive and not prohibitive. I have concrete examples of the system once being legalised the passage rates soaring higher and higher, and then the pilgrim being in the hands of the shipping companies and the Govern-

ment of the country which legalises compulsion. The pilgrim cannot get out of their hands then. I am dead certain that, within a short time of the introduction of the system of compulsion by legislation, the fares would be raised to any amount, double, treble or four times without any apology by anybody, and this means the prevention of a very large number of Mussalmans from undertaking the Haj pilgrimage. I will try to bring this point home to the Honourable Members of this House. It is easy to understand that the number of pilgrims must depend on the amount required for undertaking the journey. For instance 20,000 pilgrims embarked for India when the passage rates for both the journeys were Rs. 51. Necessarily the number would be reduced in proportion, or much more than the proportion, to the raising of the passage rates. As to the raising of the passage rates, I can give a concrete example. From Singapore to Jeddah the pilgrims were taken on board a ship for about Rs. 67, and for the return passage they had to pay about Rs. 100. In 1914 when the Malay States made the return tickets compulsory, the passage rates rose to Rs. 267. The result was that pilgrims from the Malay States began to travel by Japanese boats to Calcutta, and then by rail to Bombay, and from Bombay to Jeddah by ships, and all this at a much lower expense than on their own ships from Singapore. It is for these reasons that I say that legislation is not at all necessary, and I plead that Mr. Hudson's elucidation the other day in this House makes my point still stronger.

But, Sir, it is not a new thing for us to find that the Government deal with the evil which presents itself by embarking on superficial legislation of the kind they have undertaken in this matter. My trouble is that they are incapable of diving deep into the problem. They meet with a boil and apply their knife to it. It is no doubt very trying to apply one's mind to understand the root cause of the evil, and then try to remedy the same. For example take the case of the origin of this House where we are sitting under the Reform scheme. The Government met with difficulties in administering the country in their own way, and thought the remedy lay in giving the representatives of the people a place in which to talk more freely and more frequently, and they thought that was enough for satisfying their desire. The remedy they have decided upon is now in operation and most of the Members of this House now more fully realise what these talks mean and how far the constitution of this House has gone to remedy the evil that exists. Take another example; take the example of the Bengal Ordinance

Mr. President: Order, order, the Honourable Member is travelling far from the return ticket.

Maulvi Mohammad Shafee: All right, Sir. I wanted to give examples, I would leave that now. But I could enumerate to you a number of such illustrations where the remedy has always been superficial. The method in my humble opinion is absolutely faulty and should not be resorted to if the real remedy is at heart.

My other difficulty, Sir, is that the Government are so constituted that, whatever remedy they decide upon, it does not meet with the approval of the people concerned. The men responsible for the policy of the Government have very little in common with the people of the country. Both are, no doubt, human beings, but one considers himself to be a celestial being and the other to be an earthly one, and there lies the disparity, and I therefore say there is very little which is common between them. The Haj pilgrims are drawn from a class of people whose hopes and aspirations, religious fervour and zeal, and standard of comfort and

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convenience are not shared at all by those who are responsible for the compulsory provisions of this Bill. This is my real trouble and I do not know in spite of my utmost endeavours how to bring home to such people the real difficulties of the Haj pilgrims.

The return ticket system has already been in operation by an arrangement made by the Government of India with the shipping companies, as is said in the statement supplied to me. It was first arranged in 1914-15, again in 1915-16, in the peculiar conditions existing during the world war. The arrangement was also made in 1919-20 and in 1920-21. It appears that it was afterwards given up. I presume that they found it unworkable and hence gave it up, because we do not find this system of return tickets being insisted on in the case of the pilgrims in later years. We do not know what a tremendous amount the shipping companies would have made by issuing only return tickets to Haj pilgrims in these four years I have enumerated. However, I am certain that nobody who has had any experience of the Haj traffic wants again to insist upon return tickets. Even Mr. Hudson in his long speech the other day said not a single word about it. I do not wish to dilate on this point any more.

I would now say that the alternative system which has been introduced in this Bill is certainly not to the advantage either of the Government or of the pilgrims. The confusion arising from the two systems side by side would be very great. I would state the most important of it. The pilgrim class, as everybody knows, is in the hands of the brokers and touts either of the shipping companies or of the Moallims of Mecca who come here to canvass for pilgrims. They naturally preach the benefits of either of the two systems which suit them, and the pilgrim will sometimes be in a fix as to which system to choose. A large mass of them will then be put to very serious danger as they will not be able to decide the relative advantages and disadvantages of the two systems. They will be simply a prey in the hands of the brokers. Besides serious trouble to the pilgrims themselves, the Pilgrim Department will also be put to the inconvenience of having two sets of officers to keep up a record of the two systems. I hope therefore that the Honourable Members of this House will differentiate between the two systems and will urge upon the President to put these two clauses of the Bill separately to the vote. There is clause (a) and clause (b). (Maulvi Muhammad Yakub: "To-day the clauses will not be put to the vote but the whole Bill.") Thank you for that information. I thought they could be put separately too. (Maulvi Muhammad Yakub: "No, not to-day"; Haji Wajihuddin: "That stage is past").

Now, Sir, I want to say something on the test of the usefulness of the measure which was introduced last year. I take it for granted for argument's sake that the system which is going to be introduced by this legislation is useful to the pilgrims. Is there no method of satisfying ourselves of the benefits of the system before legislating,—whether the system works well or whether it puts the pilgrims to more inconveniences. I think this is a most modest claim that I make and every reasonable man should accede to it. As to the deposit system which was introduced during the last Haj season we are told that there was no trouble in inducing Haj pilgrims to make a deposit of Rs. 60 in Bombay and in Karachi. Now Government have done what they wanted. As the Government

have said, a large percentage of those who wanted to come back soon after have come back, and they must now be convinced whether the system is good or bad, and whether it has cost them more or just as much as they were prepared to pay. But an appreciable percentage of pilgrims who made the deposit have yet to come back. Their number if the report of the Government is correct is 3,202. I wanted other details about this deposit system and put questions with that object soon after the Bill was taken into consideration but they have not been answered yet, neither have I been given any information about it privately although I have sought such information by all the means open to me. Now there are 3,202 pilgrims whose deposits are still to be withdrawn by their representatives because they have not returned to India. It is, I say, the case of these people that will determine the utility of the system. Some 8 months have elapsed since the deposits were made. How can you judge of the utility of the system when you have allowed 18 months for the return journey? You must allow some time to elapse for the consequences of that system to be fully realized. I do not understand, Sir, this hurry about legislation when the work of deposits is going on so smoothly as has been described.

The Honourable Members of this House, I believe, can have no doubt in their minds that the deposit system when made compulsory would be fraught with all the disadvantages which a rigid system is liable to. If you want to introduce the system do it by all means but leave it to take care of itself. It is only then that the organisers of the system will take every precaution so to fix the amount as to make it more economic, and to make such arrangements for receiving the deposits as to give more convenience to the depositors, and to make such arrangements for withdrawal as to give more facilities to the representatives of the pilgrims for getting a refund. I ask my Honourable friends in this House, after I have given them all the facts so far as I could put them together, to remember that this is a very serious problem for the Moslem community. All those who are concerned with the comfort and convenience of the Haj pilgrims have been consulted by me. Maulvi Abdul Kadir of the Punjab who came here yesterday was consulted by me. Maulana Syed Suleiman Nadwi who came the other day was also consulted by me. All of them are agreed that Government should not enforce any system by legislation; they must make all arrangements for return tickets, for deposits, etc., and leave it to the choice of the people to do as they think proper. They say that last year, when there was no legislation to strengthen the hands of those who were responsible for the pilgrim traffic, they induced pilgrims to make deposits and succeeded in doing so. Now the same thing can be done this year and next year. If we then find trouble arising out of it we can decide whether any legislation is necessary or not. (*An Honourable Member*: "Has no trouble arisen yet?"). I am told that last year there was no dissatisfaction. That is what Mr. Hudson told me; and it is what Maulvi Abdul Kadir and Maulana Syed Suleiman Nadwi also told me. There was no legislation last year. This piece of legislation you are going to enact to-day was not then in existence. Now when you did not experience any trouble last year without any legislation, why should you force this legislation on the Haj pilgrims this year unless you find some other fact which entitles you to come to this House? With these words, Sir, I again oppose the passing of this Bill into law.

Maulvi Sayad Murtuza Sahib Bahadur (South Madras: Muhammadan): Sir, I associate myself with my Honourable friend Maulvi Mohammad Shafee in opposing the passing of this Bill into law. The other day, Sir, he made out a fairly strong case against the consideration of this Bill. As a lawyer he did justice to the subject, but I am only a layman, Sir, and so I cannot dwell upon the subject in all its aspects. I shall confine myself, therefore, to the religious aspect of the subject which he did not attach so much importance to as he did in the case of some shipping companies. I do not want to bother myself with the *bona fides* or *mala fides* of the Government. I shall restrict myself to the religious aspect, Sir; the religious aspect being that going to Mecca in the case of those who are in a position to undertake the journey is incumbent. The Koran says, Sir, in the fourth chapter that those that can afford to meet the expenses and those that command good health should necessarily perform the Haj pilgrimage once in their life-time. As regards the word *Istita-ah* which is implied in *Manistata-a Ilahi Sabeela*, there are four schools of thought. So far as my Muslim brothers of North India are concerned, they are not in touch with one school of thought, the Shafis. My Honourable friend, Mr. Mahmood Schamnad, who is absent, belongs to that school of thought and in fact the whole of Malabar belongs to that school. The Shafees are found in abundance not only in Malabar but also in so many other districts of my Presidency. I come from Madras as you all know. I represent half of the Province and there are 25 per cent. of Shafees there. What do their divines say? They say that those that are physically fit ought to perform the Haj; they attach minor importance to financial adequacy. So far as Hanafees are concerned they attach equal importance to physical fitness and to financial ability to meet the expenses. These Shafees are, as I have said, 25 per cent. The other day my Honourable friend Mr. Moir, made a reference to the religious fanaticism of Moplahs; and we often hear about the fanaticism of the Muslims of the North-West Frontier Province. May I ask my Honourable friend, the Member in charge, as to whether he has perused the opinions of those gentlemen that belong to the North-West Frontier Province and Malabar? All the Malabar gentlemen, including Thangals and Maulvis, are dead against this measure. So also the Muslim leaders of the North-West Frontier Province.

Mr. President: I think my Honourable friend has mistaken the nature of the Bill we are discussing. The Bill only provides for compulsory return tickets and deposits in the case of pilgrims desiring to go to Jeddah. The matter that he is discussing is entirely outside the scope of the Bill.

Maulvi Sayad Murtuza Sahib Bahadur: They are all of opinion, Sir, that this compulsory system of return tickets and deposits is not favourable to them at all. On the other hand it formulates a policy of prohibition. The word "prohibition" itself does find a place in the Bill. So I ask the Member in charge whether he is justified in placing any prohibition on a religious observance. Some of my Honourable Muslim friends the other day said that it was incumbent only on those that can afford to meet the expenses. But I ask them whether there is any restriction imposed by the Koran or by the traditions of the Prophet on those that cannot afford to meet the expenses. Sir, it is a meritorious act on the part of those that are not well-to-do and yet want to go on pilgrimage to Mecca. This system surely tends to be a stumbling block to them. Moreover, as has been pointed out by my Honourable friend, Maulvi Mohammad Shafee, about 2,500 persons do not return every year. I am not at one with him when

He says there were no destitutes last year; the figures show there were at least 160 destitutes even last year. But we do not seek repatriation at the hands of the Government in their favour. When they go over there with the object of performing a meritorious deed, a deed of piety, let them subject themselves to certain hardships. In short, if by legislation the Government want to fan the embers of fanaticism then such a measure as this may be resorted to. If not, I would request the Government not to pass such a Bill as this which is surely calculated to encroach on the religious rights of the Muslims, to whom religion is anything and everything.

Maulvi Muhammad Yakub (Rohilkhand and Kumaon Divisions: Muhammadan Rural): Sir, I never thought that after making a speech on this Bill on the last occasion I would be called upon to make another speech when the Bill comes up before this House for passing. But, Sir, I find that this Bill is being used in the way in which a drowning man lays hands upon a very weak reed, that it is being utilised in order to regain some of the waning popularity which some people in this country have lost over the masses. I find, Sir, that misleading articles are being published in the newspapers; I find that meetings are being got up and that certain Muhammadan members of the Assembly are being denounced for helping the Government in a Bill which is stigmatised as a Haj-breaking Bill. Sir, it is on account of these things that I am obliged to make a few remarks again to-day. You will excuse me, Sir, if I dilate a little on this point and try to show that this agitation is not at all genuine, that it is merely a got-up agitation.

Well, Sir, when this Bill was introduced for the first time in this House last year, soon after its introduction I wrote a letter to the Secretary of the Jamiat-ul-Ulema at Delhi and another letter to the Mufti of the great Arabic University at Deoband. I sent them translations of this Bill in Urdu and requested them to favour me with their opinions. (*Haji Wajihuddin*: "I also did the same".) I was not content only with this: I published a translation of that Bill in vernacular newspapers in my province and called for the opinions of the Muslims throughout the whole of India. The Bill in the form in which it was introduced contained some very objectionable provisions which have been deleted in the Select Committee stage. But what did I find? I found that even the objectionable Bill was not objected to by any Muhammadan for twelve months. They were sleeping over the Bill for twelve months and not a single discordant note came to my notice throughout the whole of the year. Then again, they were holding a very big meeting, the annual meeting of the Jamiat-ul-Ulema at Moradabad, my native place, in January last. There personally I spoke to the learned Secretary of that Association and requested him saying that this Bill was coming on in the Assembly very soon, and would the Ulemas kindly favour us with their religious opinion? Still, Sir, nothing was done. The Bill was not discussed then in that big Assembly of Ulemas and no resolution was passed on it. After that what do I find? When I came to Delhi I heard that a small meeting of the Working Committee of the Jamiat-ul-Ulema was about to be convened in order to discuss this measure. I heard that my Honourable friend, Maulvi Mohammad Shafee, was every day in communication with the Secretary and the President of the Jamiat. Well, I called on the Secretary of the Jamiat here at Delhi again and requested him saying, "You are going to discuss this Bill and I request you to give us some religious authorities to show that a system like this would be considered

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as an interference with the religious performance of our Haj.' But what do I find? I find that the Ulemas in the Working Committee did not issue any *Fatwa* or religious commandment; they only issued a statement or a resolution; they did not quote a single religious authority in that statement of theirs to show that this was a measure which was calculated to interfere with the religious performance of the Haj. Now, Sir, allow me to say a few words about the proceedings of this meeting as well. This meeting was held at the House of Hakim Ajmal Khan Sahib, and I have got the authority of the Hakim Sahib who is himself a great Arabic scholar and a Haji himself; he told me that he was in favour of this Bill, that he opposed the Ulemas in passing this resolution which they have passed; he insisted upon them not to pass this resolution; he told me that he had to leave the meeting for two or three minutes, and when he came back he found that this resolution had been hurriedly passed in his absence; and he again tried to persuade the Ulemas not to issue such a statement, but they would not listen to him. He also told me that Maulvi Abul Kalam Azad, the famous theologian of Calcutta, and a very great worker in the cause of Khilafat, was also in support of this measure and that he was opposed to what the Maulvis have done. And here we are told that Mr. Mohammad Shafee has consulted this and that Ulema and that those people oppose this Bill. Now, Sir, on the last occasion my friend Mr. Mohammad Shafee told us to wait till the return of the Hija's deputation. He wanted then, to know what they had to say on this matter, and to-day he says that he has consulted Maulvi Abdul Kadir and Maulana Suleiman Saheb. You will be surprised if I quote from a big letter from that very gentleman, one of the greatest theologians of the day, who was a member of the Hija's deputation. This letter was published in the *Bombay Chronicle* of the 12th of February.

Maulvi Mohammad Shafee: I was told to refer to a copy of the paper of the 11th, and I could not find anything in it. Here I have it.

Maulvi Muhammad Yakub: This is the *Bombay Chronicle*, dated Thursday, the 12th February, 1925. Probably I gave a wrong date.

Now, Sir, these are the words of the Maulana Suleiman. He says:

"I have heard so much about the pitiable plights of the Indian pilgrims that I am favourably inclined towards the deposit scheme as is under the consideration of the Assembly."

Maulvi Mohammad Shafee: Will you kindly hand that paper over to me?

Maulvi Muhammad Yakub: Yes, most certainly. (The paper was handed over to Maulvi Muhammad Shafee). I hope that after seeing this letter, which I believe, is not a forged letter because it is published in a nationalist paper, the *Bombay Chronicle*, whose *bona fides* cannot be doubted by the Maulana, my friend will see that the opinion of the Maulvis is not altogether against this measure.

Maulvi Mohammad Shafee: I must say, Sir, that there must be some misunderstanding, because I had a personal talk with the Maulanas on this point.

Maulvi Muhammad Yakub: But here is his letter. You can read it and draw your own conclusions. Now, Sir, we find that after sleeping over this matter for a year, a working committee of 12 or 13 Ulemas is being got up, and this manifesto is issued by that Committee, with the result that a great excitement prevails in some places in the country in connection with

this matter. As I said in the beginning, Sir, some gentlemen want to utilise this Bill as a handle to regain their lost popularity. Because we find in the articles which are published in the papers that some Muhammadan Members of the Assembly headed by Mr. Jinnah conspired with the Government. Now, Sir, the House will see that my friend Mr. Jinnah did not utter a single word when this Bill came before the House for discussion. He did not take any prominent part in the discussions on this Bill, but still we find that in the articles which are published in the papers Mr. Jinnah is figuring very prominently among the supporters of this Bill. This shows clearly that the objections are not *bona fide*, that those who are opposed to this measure do not care for religion, but they are utilising this Bill to regain their lost power among the masses, and aim at discrediting Mr. Jinnah and his party. (A Voice: "Whom do you mean by they?") I do not mean any of the Honourable Members of this House. There are other gentlemen outside this House, one of whom was in the press gallery the other day when this Bill was being discussed in this House. That gentleman, for whom I have the greatest respect, was in the press gallery when this Bill was being discussed and as soon as he left the press gallery, he had a talk outside the House with an old friend and class fellow of his, who is a responsible

Maulvi Mohammad Shafee: May I know, Sir, if the Honourable Member is entitled to refer to all these things as they do not affect the Bill at all.

Mr. President: The Honourable Member had better leave private conversation alone. This is a matter of the opinion of the Moslem community, and that is very much to the point.

Maulvi Muhammad Yakub: What I want to point out is, if my friend Maulvi Mohammad Shafee can quote the views of people with whom he had a talk outside this House, certainly, Sir, I am also entitled to say what the gentleman who left the press gallery said with regard to this Bill. He held the view that this Bill did not interfere with the religious performance of the Haj. (A Voice: "What is the name of that gentleman?") His name is Maulana Mahommed Ali, Editor of the *Comrade* and the *Hamdard*.

Pandit Shamlal Nehru: May I know who is the other gentleman the Honourable Member is referring to?

Maulvi Muhammad Yakub: I cannot mention his name, Sir. All I can say is that he was a responsible officer of the Government. I would not like to mention his name, but if Mr. Mahommed Ali would challenge that he did not say this, I would be quite ready to give him the name of the official with whom he had a talk on this matter. He clearly said in the lobby of this very House that this Bill did not interfere with the religious performance of the Haj. And the next day a big article was published in his vernacular paper *Hamdard* criticising this Bill, and a similar article was also published in the *Comrade*, and we were stigmatised as being a party who have conspired with the Government.

Now, Sir, all these facts clearly demonstrate that this agitation is a got-up agitation, it is a false agitation, and it is not a real agitation at all. I appeal to my Muhammadan friends in this House not to be swayed by any fear, or that they should be carried away by the articles which are published in the papers. I know the hearts of some of them are trembling as they do not know what to do, because in their heart of hearts they are in support of this Bill, but they dare not come and vote.

Khan Bahadur W. M. Hussainally: My heart is not trembling.

Maulvi Muhammad Yakub: I know that you have got a big heart. I assure my Muhammadan friends that they need not be afraid of their voters. When the real facts will come to light, and when those facts which I have stated and which will be stated hereafter in the public press are known, they will at once see that this is a false agitation, that it was a got-up agitation, and that really this Bill did not interfere with religion. In fact it is intended to facilitate the pilgrims, and it is intended to facilitate the Haj.

Sir, it was said that the Government of India wanted to decrease the number of pilgrims and therefore this Bill was introduced. Well, last year and the year before last we were told that Sheriff Hussein was a pet of the Government of India, and therefore Government wanted to send more pilgrims. (*A Voice*: "King Hussein please.") All right, it was said that King Hussein was a pet of the Government of India, and therefore Government wanted to send more pilgrims to Mecca. While this Bill was introduced last year, King Hussein was on his throne, he was a pet of the Government of India. Therefore, is it not self-contradictory to say now that the Government wanted to decrease the number of pilgrims? Was the number of pilgrims decreased on account of anything that has been done by the British Government? Read what Maulana Suleiman says. It was on account of the tyranny, it was on account of the misrule of that ex-King Hussein, who was rightly deposed, that the number of pilgrims from India and from other parts of the world decreased, and not on account of anything that was done by the British Government. Now, Sir, Maulana

12 Noon.

Mohammad Shafee Sahib has at great length criticised the system of return tickets and he said that it entails more hardship than a deposit of the passage money. I say, Sir, if you think that one of the two alternatives is worse, why not adopt the better one. It has been left to the option of the Hajis. Here you have got two systems, and you have got two alternatives. You can choose the better of these two. What is the harm? If the idea of the Maulana was to improve this Bill, he could have introduced some amendments in order to mitigate or to remove what he considered as hardships, instead of trying to throw out the Bill and saying that it will interfere with the religious performances of Mussalmans. The Maulana says that we are hurriedly passing this Bill. I am astounded to hear the Maulana saying that we are hurriedly passing this Bill. When was it introduced, Sir? More than a year ago.

Maulvi Mohammad Shafee: It is necessity that makes the time short or long.

Maulvi Muhammad Yakub: I do not understand the necessity for waiting any further. We have got the opinion of Maulana Suleiman, a member of the Hedjaz deputation. The Bill was circulated to the public. The public had ample time to consider it. It was published in the papers and everything was done. I do not know what the Maulana means by saying that it is being passed hurriedly. What more benefit would be gained if the passage of this Bill is postponed for another year or for another session? I really cannot understand what he means.

Then, Sir, Maulana Murtuza has dealt with the religious aspect of this Bill. Really I have very great respect for those people who have got a religious trend of mind; but let me tell Maulana Murtuza, as a religiously inclined Mussalman, he must know that Tirmazi is a standard book of Hadis. Among Mussalmans it is being considered as an authority on Hadis. And we find in Tirmazi a Hadis in which it is reported by Ibn-e-Omar that a

man came to the Prophet, may peace be on him, and asked him what was it that makes Haj compulsory, and the reply he received was provision and conveyance. If you have not got sufficient provision, Haj is not compulsory upon you. Now, Sir, on the first day that this Bill was being discussed, and even now, Maulana Murtuza has said that it is a meritorious thing for a Mussalman even if he has no money to perform this Haj. But I would remind him on the other hand that Islam has in very clear terms ordered Mussalmans not to beg. Begging also is as sinful as anyone of the sins which the Muslim law enumerates.

Maulvi Sayad Murtuza Sahib Bahadur: I do not advocate the cause of professional mendicancy. I hate it from the bottom of my heart as my friend Maulvi Muhammad Yakub Sahib does.

Maulvi Muhammad Yakub: If he is against mendicancy, then I am sure he would agree with me, because this Bill is intended only to check professional mendicants. It is not a check upon those who are not professional mendicants. They have got to purchase tickets. They have to spend money. What does it matter if you purchase a return ticket at Bombay or you deposit your money? In fact, it makes your position more convenient because it makes your money more secure. It may happen that even a wealthy man may be robbed on his way or a theft may take place at his residence in Mecca, and he becomes moneyless. If he has got a return ticket or deposit for the return passage, at least he will have the satisfaction of knowing that he would reach his home safely, and for this reason I submit that this Bill facilitates, and does not in any way interfere with the religious performance of the Haj.

There is one thing more to which I wish to draw the attention of the House. In the writings which have been published against this Bill only the provision of the return money and the deposit of the passage money has been mentioned, but the other provisions of the Bill which facilitate the performance of the Haj have purposely been omitted from being published in the papers in order not to give the Muhammadans a chance to know what this Bill is. Now, Sir, do not we find in this Bill another provision in section 209-A to the following effect:

"Port-clearance shall not be granted from any port in British India to any pilgrim ship unless or until the master, owner or agent and two sureties resident in British India have executed in favour of the Secretary of State for India in Council a joint and several bond for the sum of ten thousand rupees, conditioned that, if any pilgrim who has been carried to the Hedjaz by that ship with a return ticket issued in British India within the previous eighteen months is owing to his inability to obtain accommodation on a ship for which the return ticket is available, detained at Jeddah for a longer period than twenty-five days from the day on which he presents his ticket to the British Consul at Jeddah, notifying his desire to embark for the return passage, the master, owner or agent aforesaid shall pay to the Local Government in respect of such pilgrim such sum not exceeding double the whole sum received by such master, owner or agent in respect of the return ticket as the Local Government claims as the cost of repatriating the pilgrim, together with a sum of one rupee for each day after the expiry of the twenty-five days aforesaid during which the pilgrim has been detained at Jeddah."

The greatest hardship that was undergone by the Hajis was that for months and months they were detained at Jeddah and their provisions were exhausted. Now, Sir, this has become impossible on account of this provision in this Bill, and I am really surprised to see that my friend Maulana Mohammad Shafee and those who think with him only referred to the provision regarding return passage and return tickets and not to this provision. That provision is supported by this provision which greatly reduces the hardships of the Hajis. As regards the inconvenience to which

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the intending pilgrims are subjected at Bombay on account of the ships not sailing on the dates advertised, as, I said the other day, my friend the Honourable Mr. Bhore was going to make an announcement that another supplementary Bill was soon going to be placed before the House. He has made the announcement that very soon that Bill will come before the House and by that Bill the dates of the sailing of the ships from Bombay will also be assured. Now, these were the two hardships to which Haj pilgrims were subjected, first that they were detained at Bombay for months and months and the little money which they had in their pockets was exhausted; also on their way back they were stranded at Jeddah for a very long time and their provisions were exhausted. When this law provides for removing these two great difficulties of pilgrims how can anybody say that this Bill interferes with the performance of the Haj? On the other hand, this Bill provides all that law can do to facilitate pilgrimage. What more can we do? In India we can only do this much that we can make it compulsory upon the shipping companies to start ships from Bombay at the right time and also from Jeddah, so that people may not be stranded. There is only one thing more now for me to say, and it is this. Maulana Mohammad Shafee wants to know what is the necessity for having this law? Why do you make it compulsory? Why not give that authority in the hands of the shipping companies? Now, Sir, I am really surprised to hear that instead of giving power in the hands of an organised Government my friend Maulana wants to leave Hajis at the mercy of those shipping companies, about whom he himself had great complaints the other day. Is it justifiable, is it reasonable, that you should give the arbitrary power in the hands of the shipping companies?

Haji Wajihuddin: It is not compulsory for everyone, but only for third class passengers.

Maulvi Muhammad Yakub: As my friend, Haji Wajihuddin says, this is not compulsory for anybody except those who travel in the third class. It is not compulsory for any man who travels in the second class, the first class or any other class. I can only say that it is really astounding to hear that the Maulana likes to invest the power in the hands of the companies and not in the hands of the Government. What is the difference, if you give that authority in the hands of a shipping company or in the hands of the Government? I am really unable to follow the logic of the Maulana. I think, Sir, I have disposed of all the objections that were raised by my Honourable friend and I have clearly shown to this House, and the world at large, that the Bill is intended only to facilitate the pilgrimage and I would ask the Honourable Members of this House to go deep into the cause of this agitation which is being got up outside this House against this Bill. What is the real cause of it and why this agitation has been raised.

Maulvi Mohammad Shafee: I see the Honourable Member is attributing motives to us. I take very strong exception to it.

Maulvi Muhammad Yakub: You may take exception or you may not—probably you will—but these are the facts which I have laid before this Assembly and it is for the public and for the Members of this House to draw their own conclusions. I have already made it clear that my remarks were not intended for you. With these remarks, Sir, I support the passing of this Bill.

The Honourable Sir Muhammad Habibullah (Education, Health and Lands Member): Sir, as I have been referred to more than once both on

the previous occasion and on this and as appeals were addressed to me individually, I think it my duty to speak a few words on this occasion. I am a Mussalman. I take pride in the fact that I am a Mussalman. I confess that I am not a religious divine, nor am I well-versed in Islamic theology. It is equally true, Sir, that I cannot claim the honour of prefixing the word "Maulvi" or "Haji" to my name. But all the same my fervour, my enthusiasm, my love and my respect for my religion are no less keen than that of any of those whom I have enumerated above. (Hear, hear). This Bill was introduced at a time when probably one of their own co-religionists, I mean the Muhammadan friends here, was not in charge. But it is now in the hands of one who is one of their Islamic brethren. As soon as I took over charge and found that this measure had to be piloted through this Assembly, I took great care to call to my aid and assistance a large number of my Islamic brethren, whom I see around me, to consult them, take counsel from them and seek advice from them as to whether this particular measure should be piloted through this Honourable House or not. I am indeed highly grateful to them for the assistance which they rendered on that occasion and the advice that they gave me. Detractors of this Bill there were, as usual. They were not slow to hoist the flag "Religion in danger", but the unanimity of opinion indicated that there was nothing in this measure which would endanger religion or which would operate as an impediment against those devoted to the cause of Islam and who wished to perform the Haj. Fortified, therefore, Sir, with the opinion of my own co-religionists, I sought counsel from outside in the same way as I am assured some of my Honourable friends in this House did, and from every direction I received encouragement to the effect that this piece of legislation was in no way opposed or detrimental to the tenets of Islam. If, therefore, Sir, I have ventured to pursue this measure through this House, I have done so with a clear conscience that I am not putting on the Statute-book a measure which I regard as opposed to my religion. And I only hope that my friends who belong to the same religion as I do will take that assurance from me. One word, I think, Sir, I must add. As a result of the consultation to which I have already referred I had not only arrived at some understanding as to the particular amendments which should be accepted by Government but I had also given my word in favour of a fresh amendment which I found my Islamic brethren were rather keen upon. I refer, Sir, to the amendment which wanted to provide in the new Bill that a date should be fixed for the sailing of the ships and that if after a particular period therefrom, for reasons over which the shipping company had no control, the ship did not sail, there should be provided a detention allowance for those who had purchased the tickets already. We accepted this amendment, but, Sir, you ruled it out of order and we had to bow to your decision. I may, however, repeat before this House that I stand committed to the word which I have passed already and that steps will be taken at the earliest possible moment to introduce another amendment into this Bill to carry that promise into effect. (Hear, hear). Let me assure my Islamic brethren once more with all the fervour and enthusiasm that I can command that I shall certainly be the last person, claiming as I do to be one of them, to forge a law which would be inimical to, or against the interests of, Islam. (Loud applause).

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): *After the speech of the Honourable Member in charge on behalf of the Government

*Not corrected by the Honourable Member.

[Mr. M. A. Jinnah.]

there is very little to be said and if I may venture to congratulate him for putting the case in the clearest possible manner, I hope he will allow me that privilege. Sir, Maulvi Muhammad Yakub said that some Members were trembling in their places or in their shoes, I did not catch the exact word. (A Voice: "In their hearts.") Sir, I am one of those men who does not mind vilification or misrepresentation. Any man who enters into public life takes it as in the day's work that you are vilified and you are misrepresented. But that is not going to prevent us on the floor of this House from doing our duty according to our convictions. Now, Sir, as the Honourable Sir Muhammad Habibullah has said, if I thought that this measure was against the tenets of our religion, I certainly would not have been a consenting party to it. Then, if we are satisfied that it is not against Islam or the interests of Islam or the community, what is the next question that we have got to consider in this House? On the merits is this Bill a beneficial Bill or is it not? That is the next question. Now, Sir, when this Bill was introduced I did not know anything about it. I did not even take a keen interest in this Bill when it was referred to a Select Committee. As a matter of fact, I had not the honour to serve on that Select Committee. I am told I was on the Select Committee, but I did not even attend the meetings of the Select Committee. But when I found there was a certain amount of trouble, I thought it my duty to apply my mind to the best of my abilities to the merits of this Bill. And, Sir, we the non-official Members, the Muhammadan Members, sat together for days. We went through this Bill clause by clause, and then the courtesy was extended to us by the Honourable Member in charge who was good enough to call us in a private conference, and we sat again for hours, and we did our best and we modified this Bill in the best possible manner we could. Well, Sir, I am satisfied that it is for the benefit of my community, and therefore I have no hesitation in giving my assent to this Bill.

Mr. S. Sadiq Hasan (East Central Punjab: Muhammadan): Sir, I oppose this Bill. Last time when it was discussed, I was not here and to tell you the truth I had not definitely made up my mind. No doubt, Sir, this Bill is in many ways beneficial to the God-fearing Hajis who go to perform pilgrimage because in any case it ensures them a safe passage home. These poor Hajis, as every one knows, are fleeced over there by Bedouins and Muelims. Sir, public opinion in this country has been incited to think that Messrs. Turner Morrison will eventually get a monopoly and will increase the fares, but I do not agree with it, which I think is absolutely misleading. Had it not been really beneficial for the Muslims I do not think a highly conscientious person like Mr. Jinnah would favour this Bill.

But, Sir, there is another point of view which is the spiritual point of view. The Jamiat-ul-Ulema, which is a recognised body of Mussalman divines, has pronounced that this Bill infringes religious liberty.

Maulvi Muhammad Yakub: They have not said anything about it. Show me the authority of the Jamiat-ul-Ulema.

Maulvi Mohammad Shafee: I have got it in writing.

Maulvi Muhammad Yakub: Will you read it?

Maulvi Mohammad Shafee: Yes. "Is qanoon ke zariye ek qadam Islami ibadat ki adaaegi men ek qisim ki rokawat paida hoti hai jo Musalmano ki mazhabi azadi ke munaf hai."

“On account of this law a kind of obstacle is placed in the way of the performance of an important religious Islamic ceremony, which negatives the religious liberty of the Muhammadans.”)

Maulvi Muhammad Yakub: It does not say it infringes and it is not a religious injunction of the Ulemas; it is only a statement.

Maulvi Sayad Murtuza Sahib Bahadur: It is a resolution passed by the working committee of the Ulemas.

Mr. S. Sadiq Hasan: So in these circumstances I was not definitely able to make up my mind, and went to the chief of the divines, he who happens to be the President of the Jamiat-ul-Ulema, and after a great deal of discussion, I found he had been misinformed about certain points. He had been informed that Government intended to give a contract to Turner Morrison and Company. In all matters I think one should keep truth before himself and I do think that no untruthful statement should be made by any one in order to gain his point. So I explained everything to him fully, and he definitely replied that there are a number of poor pilgrims who have not got enough money for the return fare, but they leave India in order to perform Haj, and although it is not an incumbent duty upon them, yet it is an act of piety. These people intend to earn money for their return fare (*Maulvi Muhammad Yakub:* “That is what we want to avoid.”) And that is allowed by their religion (*Maulvi Muhammad Yakub:* “Certainly not; by stealing or begging.”) If this Bill was passed into law, this class of people would be deprived of the power of performing this act of piety. Hence this Bill would interfere with religious liberty.

Maulvi Muhammad Yakub: May I ask the Honourable Member whether he quoted any authority; did he name any book?

Maulvi Mohammad Shafee: Can my friend understand the books? I do not think he can.

Maulvi Muhammad Yakub: I can and I do. I tell you once I was a student in an Arabic school.

Mr. S. Sadiq Hasan: Well, Sir, the Haj is not an incumbent duty on those who have not got sufficient funds, but certainly it is an act of piety and in our traditions those poor people who suffered the tortures of the heat and sand, who journeyed without any money to the holy city of Mecca in order to perform the pilgrimage there are held in great veneration.

Maulvi Muhammad Yakub: This Bill does not prevent them even now.

Mr. S. Sadiq Hasan: This Bill will prevent them because, as I have said, if a man has the fare for one way only, if this Bill is passed, he will not be able to go there.

Maulvi Muhammad Yakub: They can go on foot even now without a passport or the return passage money.

Mr. S. Sadiq Hasan: If this Bill is not passed, these people can go and perform the Haj ceremony and they can earn their livelihood and come back. This idea may appear quite medieval to many here but certainly such people are held in great veneration by the Muhammadan public. Government as a matter of fact are not ignorant of the religious zeal of my community. They know that a few years ago, whether rightly or wrongly, when the people thought it was their duty to go on Hijrat, how many thousands of people left everything and went on Hijrat at a great loss to

[Mr. S. Sadiq Hasan.]

themselves. I do not defend this action, but what I do say is this. Is there any necessity for the Government to embitter the feelings of the community at this stage? I think the feelings are becoming normal, and by doing this the Government will be doing nothing but embittering the relations between themselves and the Muhammadans. We already hear that a number of meetings have been held in the country. A meeting was held at Amritsar where about 10,000 people were present. A meeting was held at Shahjehanpore and at other places. It would mean that, if this Bill is passed into law, the Government will stir up a lot of bad feeling without doing any great amount of good. (Maulvi Muhammad Yakub. "Not the Government but those who are getting up these meetings") (Maulvi Mohammad Shafee "May I appeal to the President to keep Maulvi Muhammad Yakub within his limits.") Now, Sir, there is no doubt that Hajis suffered in times past in the days of the treacherous ex-Shereef Hussain; but he is no longer there. He has left with all the money he fleeced from the poor pilgrims. I do not doubt the *bona fides* of Government, but what I do say is, if the Government are in right earnest to do something for the benefit of the Hajis, they get so much money from the country, over 130 crores, and out of this if they spend a small amount for the good of the Hajis, and also for Hindu pilgrims, I dare say even the Hindus will be grateful. When the Government are spending over 30 lakhs on the Ecclesiastical Department. Sir is it a very great thing if I ask that Rs 200,000 may be spent for the benefit of Hindus and Muhammadans? I say, Sir, that if the Government spend a small amount of money, they will earn the good-will of all and there will be no bitter feeling in the country.

Mr. J. W. Bhore: I move that the question be now put. -

Maulvi Abul Kasem (Bengal Nominated Non-Official): Sir, after the speech of the Honourable Sir Muhammad Habibullah and Mr. Jinnah I thought the last word on this question had been said, but I find that my young friend from Amritsar has risen to support our Honourable friend Maulvi Mohammad Shafee, and as I want to share, in however small a measure it may be, in the volume of vilification that will be showered on my Honourable friend to my left, I want to add a few words in support of the motion.

I am afraid, Sir, we have been so far arguing in a circle. It has been said that this question has to be approached from a religious, a spiritual and a legal point of view. I am neither a lawyer nor a theologian and I approach it from a common sense point of view. We have been told that this is an interference with a religious duty of the Mussalmans, and a good deal of ingenuity has been spent on expounding the theory as for whom the Haj is compulsory and for whom it is a meritorious act. I do not like or desire to enter into that question. The only thing that strikes me is this, that nobody prevents or obstructs either the performance of a duty or a meritorious act. This Bill only lays down that those who want to board a steamer for being conveyed to Jeddah on a mission of pilgrimage and who get the lowest class of passages, are asked to deposit their return journey fare or to take a return ticket. And why is this done? To prevent a large number of destitute pilgrims at Jeddah who die not only in their hundreds but in their thousands. My Honourable friend Maulana Mohammad Shafee referred to the Honourable Mr. Hudson's speech and said that the system of deposits was very popular, and when

it was popular, why enforce it by legislation, why not leave it to the people? My reply to him is that it was popular with *bona fide* and genuine Hajis and not popular with those who, as I said on the last occasion, go to Mecca neither for a meritorious act nor for the purpose of performing a religious duty but in order to get a stamp on their skin so that when they come back they may flourish in their profession, it may be in the witness-box of a judicial court or for the purpose of becoming glorified beggars. (Maulvi Mohammad Shafee: "Nobody objects to the deposit.") If it is not objected to, why not deposit the money? Again it has been said, why force them to do it? If a man wants to avoid that, the only thing he has to do is to swear an affidavit to the effect that he is not coming back for 3 years. So this Bill provides for all sorts of people. Either you take a return ticket or deposit the money or make a declaration. My friend the Honourable Member from Amritsar has suggested that if you spend a large amount of money on ecclesiastical establishment, why not spend some for the religious observances of Hindus and Muhammadans? I am at one with him on that. I think it is no business in these days of materialism for any Government to keep up an Ecclesiastical Department, specially for a Government where the Christian population is very small. But I would as strongly object to any public funds being utilised for the purpose of repatriation of either Hajis from Jeddah or Hindu pilgrims from Dwarka. The reason is this, that it may induce a large number of these professional beggars, as they have been described, to proceed to those places on the certain assurance that they will be brought back home comfortably at the expense of the State. Then if money is to be spent for religious purposes, there are a thousand and one ways of spending it in this country instead of throwing it away on these adventurers. Sir, this Bill was passed clause by clause at the last meeting and if the formal motion for its adoption as law was not moved on that occasion it was simply because on the last occasion several amendments were passed and the official draftsman had to look over them before asking the House to put their stamp on it. Now, Sir, I want the House to understand what will be the position if, which is not very likely, my Honourable friend Maulvi Mohammad Shafee's motion to throw out the Bill, is passed. Where will intending Hajis be? Under the present system they may go by one ticket or on a return ticket without deposit; but they may be stranded at Bombay for a month, two months or three months; there is nothing to prevent that; they will be at the mercy of the shipping companies. Or they may be stranded at Jeddah, and at Jeddah they may be stranded for two or three months, and pilgrims who cannot afford to pay for their return journey in advance when starting from Bombay will have to maintain themselves and feed themselves at Jeddah for two or three months. Will that not be a hardship? With what result? If a man goes on the pilgrimage either he is affluent himself or he goes by begging. When he leaves his home he is naturally provided with sufficient money for his return passage. What is the harm if you deposit the return fare at the port of embarkation instead of carrying it with you and run the danger of being robbed?

Sir, I join with my Honourable friend Maulvi Muharamad Yakub in strongly protesting against the methods employed by certain of my co-religionists in trying to infuse enthusiasm and fanaticism among my community on false issues. As has just been mentioned by my Honourable friend from Amritsar, the name of Turner Morrison & Co. has been

[Maulvi Abul Kasem.]

used by these Muhammadan gentlemen to agitate Muhammadans. Supposing the Government enters into a contract with Turner Morrison's or Mackinnon Mackenzie's or any steamship company, how does it interfere with a religious institution or the religious beliefs of Muhammadans? In this case there has been no such agreement; but this has been done purposely, deliberately and I say mischievously, simply to irritate the Muhammadans and to bring them round under their flagging and their waning influence, and that is the root cause of it. I can well understand Maulvi Mohammed Shafee coming into this House and opposing every measure proposed by Government, good, bad or indifferent. That I can well understand, but what I object to is himself and his friends trying to exploit the unfortunate innocent members of my community who have been duped more than once; I appeal to them not to dupe them again and again and I hope he will not do so. They are too poor and too innocent and too confiding to be continually and systematically duped and exploited by people who claim to be leaders of the community and to have made heavy sacrifices in their cause, but if we examine these sacrifices, we will find that they are more or less material benefits.

Mr. President: The question is:

That the Bill to amend the Indian Merchant Shipping Act, 1923, for certain purposes, as amended, be passed."

The Assembly divided:

AYES—59.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahib-
zada.
Abul Kasem, Maulvi.
Ahmad Ali Khan, Mr.
Aiyer, Sir P. S. Sivaswamy.
Alimuzzaman Chowdhry, Mr.
Ashworth, Mr. E. H.
Bhore, Mr. J. W.
Bray, Mr. Denys.
Burdon, Mr. E.
Chetty, Mr. R. K. Shanmukham.
Clarke, Sir Geoffrey.
Clow, Mr. A. G.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Dalal, Sardar B. A.
Datta, Dr. S. K.
Fleming, Mr. E. G.
Fraser, Sir Gordon.
Ghose, Mr. S. C.
Gour, Sir Hari Singh.
Graham, Mr. L.
Hira Singh Brar, Sardar Bahadur
Captain.
Hudson, Mr. W. F.
Hussainally, Khan Bahadur W. M.
Hyder, Dr. L. K.
Innes, The Honourable Sir Charles.
Jeejeebhoy, Mr. S. A. K.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Kasturba Lalbhai, Mr.

Makan, Mr. M. E.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir
Bhupendra Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Naidu, Mr. M. C.
Purshotamdas Thakurdas, Sir.
Raj Narain, Rai Bahadur.
Ramachandra Rao, Diwan Bahadur
M.
Rangachar, Diwan Bahadur T.
Rau, Mr. P. R.
Reddi, Mr. K. Venkataramana.
Rhodes, Sir Campbell.
Rushbrooke-Williams, Prof. L. F.
Saminullah Khan, Mr. M.
Sarda, Rai Sahib M. Harbilas.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Setalvad, Sir Chimanlal.
Stanyon, Colonel Sir Henry.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Wajiduddin, Haji.
Webb, Mr. M.
Wilson, Mr. W. S. J.
Wilson, Mr. R. A.
Yakub, Maulvi Muhammad.

NOES—13.

Acharya, Mr. M. K.
Badi-uz-Zaman, Maulvi.
Dutt, Mr. Amar Nath.
Hari Prasad Lal, Rai.
Kasim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Mehta, Mr. Jamnadas M.

Murtuza Sahib Bahadur, Maulvi.
Sayad.
Ray, Mr. Kumar Sankar.
Sadiq Hasan, Mr. S.
Shafee, Maulvi Mohammad.
Sinha, Mr. Ambika Prasad.
Sinha, Mr. Devaki Prasad.
Syamacharan, Mr.

The motion was adopted :

THE CANTONMENTS (HOUSE-ACCOMMODATION AMENDMENT) BILL

Mr. E. Burdon (Army Secretary): Sir, I move :

"That the Bill to amend the Cantonments (House-Accommodation) Act, 1923, be taken into consideration"

As I stated on a previous occasion, Sir, the Bill is of a purely formal and consequential character and I think the House recognise that the measure is one which does not call for explanation or discussion

Mr. President: The question is :

"That the Bill to amend the Cantonments (House-Accommodation) Act, 1923, be taken into consideration."

The motion was adopted.

Clauses 2, 3, 4, 5 and 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

Mr. E. Burdon: Sir, I move that the Bill be passed.

The motion was adopted.

THE INDIAN PORTS (AMENDMENT) BILL.

The Honourable Sir Charles Innes (Commerce Member): Sir, I beg to move :

"That the Bill further to amend the Indian Ports Act, 1908, as passed by the Council of State, be taken into consideration."

I do not think, Sir, that I need detain the House very long over this little Bill. The fact of the matter is this. The use of liquid fuel is coming more and more into vogue in our steamers. At Bombay some of these vessels when they call at that port have to be oiled from barges, and it is very necessary to frame rules to regulate the use of these barges in order to provide for the safety of the port and the shipping at the port. But though the Port Trust Commissioners framed these rules in consultation with the Chief Inspector of Explosives and the Fire Insurance Companies, we find that under the Indian Ports Act, as it stands at present, we have no power to give the rules statutory force. That is the object of my Bill.

Mr. President: The question is :

"That the Bill further to amend the Indian Ports Act, 1908, as passed by the Council of State, be taken into consideration."

[Mr. President.]

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir Charles Innes: I move, Sir, that the Bill be passed.

The motion was adopted.

THE COTTON GINNING AND PRESSING FACTORIES BILL.

The Honourable Sir Charles Innes (Commerce Member): Sir, I beg to move:

“That the Bill to provide for the better regulation of cotton ginning and cotton pressing factories, as reported by the Select Committee, be taken into consideration.”

This Bill, Sir, has been so often before this House that I do not think that I need say very much at this stage. It was very carefully considered in the Select Committee for two days, and we did our best to meet, as far as we could, the views of two Members who took rather a different view from what the rest of the Committee did.

We have altered clause 5 so as to clear up the position in regard to returns. We have amended clause 7 so as to provide for the case of an owner leasing his factory for the transfer of the registers at the end of the lease. We have also made an important change in clause 9 which has the effect of exempting small ginning factories in which roller gins are used and which contain not more than 4 of such gins, from the structural requirements of that clause. These small ginneries will be exempted from the operation of clause 9. We have made another amendment in that clause which gives the owner of a ginning factory time to carry out any structural alterations that may be necessary to conform to the provisions of this Bill. We have also altered clause 11 regarding the power of sanctioning prosecutions. We have limited it to Magistrates of the first class. These are the more important changes which we have made in the Bill, and I move, Sir, that the Bill be taken into consideration.

Mr. Narain Dass (Agra Division: Non-Muhammadian Rural): If I may be in order, Sir, I crave your indulgence to oppose this Bill altogether. I do not see any utility whatsoever of this legislation. I think the Bill has been framed at the instance of certain gentlemen whose experience is confined to big cities only where clean cotton goes and where little of ginning is done. Sir, although it is not expressly provided in so many words in this Bill, I think the idea underlying this Bill is to improve the quality of the cotton bales. But I fail to see, in spite of my very close study of the whole Bill, how this enactment will improve the quality of the bales or baled cotton. I should submit that it is physically impossible for any manager or owner of a ginning factory to improve the quality of the ginned bale. So far as my experience of many ginning factories goes, I am of opinion that as the ginning season advances, the quality of the baled cotton also changes. For instance, the raw cotton produced in any district is not of the same quality throughout the season. There is a very great difference between the first pickings and the subsequent pickings carried on in the season, more particularly at the end of

the season. It does not depend at all on the discretion, however well the owner of the ginning factory may exercise it, to improve the quality of the baled cotton. What he generally does is to keep the raw cotton carts that come from the villages stocked in the premises in one big heap; he keeps the raw cotton which comes in cartloads quite separate from the ginned cotton. No admixture whatever is made in that cotton. Carts come from the villages, and the cotton is paid for according to its quality. Of course, as I have already submitted, the whole of the raw cotton produced in a district is not of the same quality. That can never be, because cotton is a product which can never be threshed out like wheat or other grain. It is collected over a period extending over two months. Of course, owners of the factories or other merchants purchase the raw cotton that comes by carts, collect all the cotton into heaps, and out of those heaps the daily ginning is carried on. I fail to see, Sir, in what respect, even with the exercise of the best of discretion by the owner or by the manager of a factory, this Bill will enable the quality of the baled cotton to be improved at all. And when I come to the restrictions or rather the punishment prescribed in the case of owners or managers who fail to put in a prescribed mark or a prescribed number on a bale, I am simply taken aghast. What offence will he commit if he does not put any particular mark, I fail to understand. I fail to see how the mere act of putting a particular mark will improve the quality of the baled cotton, I mean the quality of the ginned cotton. Well, Sir, when any legislation fails to show in clear terms its utility, I think it is superfluous to carry it through. From

1 P.M. the conditions that I have seen prevailing in so many other provinces, I am certainly of opinion that this Bill should be rejected altogether. I may add that most of the Native Indian territories are covered with ginning and press factories. How would my friends carry out this so-called improvement there?

Clauses 2 and 3 were added to the Bill.

Mr. President: Clause 4.

Mr. M. V. Abhyankar (Nagpur Division: Non-Muhammadan): Sir, the amendment which I am moving to clause 4, will, I think, be accepted by the Government. The clause as it stands runs thus:

"4.(2) If any bale is removed from the press-house of any cotton pressing factory without having been marked as required by sub-section (1), the owner of the factory shall be punished with fine which may extend to fifty rupees."

The clause evidently did not intend to make the pressing factory owner punishable for acts of other persons, acts for which he may be in no way responsible. The word used is only 'removed.' The clause does not say that the factory owner commits an offence if he removes the bale. The amendment I move is:

"In clause 4 (2):

- (i) after the word 'removed' the words 'or allowed to be removed' be inserted;
- (ii) before the words 'the owner' the word 'by' be inserted;
- (iii) before the words 'shall be' the word 'he' be inserted."

The clause when amended will read thus:

"If any bale is removed or allowed to be removed from the press-house of any cotton pressing factory without having been marked as required by sub-section (1) by the owner of the factory, he shall be punished with fine which may extend to fifty rupees."

[Mr. M. V. Abhyankar.]

It is only right, Sir, that the owner should be punished only when he either removes the bale or allows it to be removed. He cannot under any circumstances be made guilty for the act when he has no hand in the matter.

The Honourable Sir Charles Innes: Sir, I hope that the House will not accept this amendment which has been proposed by my friend Mr. Abhyankar. The amendment strikes at what is after all one of the main principles of the Bill. One of the main principles of this Bill is that we propose to regard the owner of the press factory as responsible for the factory. We place upon him a very small but a very definite obligation. Now, if this amendment were carried, it means we could only punish the owner if it can be proved that he himself removed that bale or that he himself had allowed that bale to be removed; that is to say, you give him a loophole; you relieve him of the responsibility and you would not put the responsibility on to anybody else. I think, Sir, that the House, if it is going to accept this Bill at all, will be well advised to accept that main principle, namely, that the owner of a press should be held responsible for what goes on in his press. The marking of the bales is the central feature of the Bill, and it is by this obligation that bales should be marked in this way that we hope that the trade will be enabled to protect itself against the abuses which, I am afraid, go on in presses.

Mr. President: The question is that the following amendment be made :

" In clause 4 (2) :

- (i) after the word 'removed' the words 'or allowed to be removed' be inserted;
- (ii) before the words 'the owner' the word 'by' be inserted;
- (iii) before the words 'shall be' the word 'he' be inserted."

The amendment was negatived.

Clause 4 was added to the Bill.

Clauses 5, 6, 7, 8, 9, 10, 11 and 12 were added to the Bill.

Mr. M. V. Abhyankar: Sir, the amendment that I propose to clause 13 is rather an important amendment and I hope the House will give it due consideration. The amendment that I propose is to add a proviso at the end of clause 13. Clause 13 reads thus :

" The Local Government may, by notification in the local official Gazette, make rules consistent with this Act to provide for all or any of the following matters, namely :

- (a) the forms in which registers, records and returns are to be maintained or submitted, and the inspection of records and registers;
- (b) the appointment of the authority to whom and the time within which the returns required by section 5 shall be made;
- (c) the weights and scales to be used in cotton ginning and cotton pressing factories in any district in the province, and the inspection of the same;"

Now, this is very important.

- " (d) the appointment of authorities for the purposes of sections 7, 8 and 9;
- (e) the manner of service of orders made under section 9;
- (f) the powers of entry and inspection which may be exercised by District Magistrates or by any officer specially empowered in this behalf by the Local Government;"

Then comes (g), which is a very wide clause indeed.

- " (g) any other matter which is to be or may be prescribed or for which provision is necessary in order to carry out the purposes of this Act."

Now, let us see clause 3. We find that it requires registers to be maintained; and we also find in clause 4 that if registers are not maintained, the ginning and pressing factory owner is liable to punishment. So, power has been given to the Local Governments to make rules under clauses of this Bill which are penal, and if anybody infringes those rules he will be committing an offence. The rules have always to be so framed as to meet the circumstances of the locality which is to be governed by them. Then, the power given in sub-clause (g) is so wide that it authorises the Government to make rules which if improper will work very great hardship on the ginning and the pressing factory owners. The amendment I propose is that this rule-making power of the Local Government should be subject to the approval of the Legislature. My amendment says:

"To clause 13 the following proviso be added, namely:

'Provided that no notification under this section shall be issued by the Local Government unless the rules have been approved by the Legislative Council of the province by a Resolution.'

It was brought to the notice of this House and it was said during the last debate on this question by my friend Mr. Aney that the subject of this Bill really is a provincial subject and that the Central Legislature is encroaching upon a provincial subject. The House evidently paid no heed to it then, but now at least I hope this House will give the power to the local Legislature at least to make the rules under this Act. I know one argument will be advanced against me, namely, that no such power is ever given to the Legislature. It will be said that there is no Act of any Indian Legislature which gives such power. In reply to that, I would only refer firstly to section 129-A of the Government of India Act. Now, England is a country where they have full responsible government, and even there the rule-making power of the executive has been subjected to the approval or disapproval, as the case may be, of the Legislature. And secondly, Sir, in India particularly, where the executives are in no way responsible and are ready on every occasion to thwart the wishes of the Legislatures, they ought not to be given this power. I hope the House will accept my amendment.

Mr. President: Amendment moved:

"That to clause 13 the following proviso be added, namely:

'Provided that no notification under this section shall be issued by the Local Government unless the rules have been approved by the Legislative Council of the province by a Resolution.'

The Honourable Sir Charles Innes: Sir, it is perfectly true, as Mr. Abhyankar has said, that Mr. Aney did raise a constitutional point about this Bill. But I think the mere fact that the House referred the Bill to the Select Committee shows that the House did not accept Mr. Aney's opinion. The view I take in regard to this Bill is this. If we are going to have this Bill at all, it must undoubtedly be a Bill applicable to all India. Whatever legislation we have in regard to the marking of bales or the regulation in regard to gineries must be uniform for all India. If the House accepts such a view and passes the main features of this Bill, then I do not think that we should give any power to a local Legislature to defeat the intentions of the Indian Legislature. Now, if the local Legislature is charged with the duty of approving any rules that may be issued under clause 13, before they are given effect to, it will be open to the local Legislature to refuse to approve any such rules at all. This means that the Bill

[Sir Charles Innes.]

would become entirely inoperative. It also means that the Bill, if it is passed, would not apply to that particular province. Now, I will ask the House to consider what effect that would have upon the cultivators of that province? Under clause 14 of this Bill cotton cannot be tendered unless the provisions of this Bill are complied with. Supposing a local Legislature says; "No, we will not have any rules in regard to this in our province." That means that the Bill would become entirely inoperative in that province. That means that the trade in Bombay and elsewhere will regard cotton coming from that province as suspect. That means that all cotton coming from that province will lose its reputation in the Bombay market and will go down in price and the person who will thus suffer is the cultivator. Our practice always has been in regard to our Statute-book to lay down in the main Act the general principles which the Legislature is in favour of and to leave minor rule-making matters in regard to machinery and so on to Local Governments, and that is what we are doing in this matter. Practically all the sub-clauses of clause 13 deal with machinery and matters of no importance at all, the sort of things that you would not bring before a local Legislature. The time of the local Legislature should not be taken up with minor matters of that kind. For these reasons I hope that the House will not accept this amendment of Mr. Abhyankar which might in some province defeat the whole intention of this Bill.

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): Sir, I rise to support the amendment moved by my friend Mr. Abhyankar, if not for any other reason, at least for the reason of his excellent speech on the Budget. (Laughter.) To be serious, however, Sir, this amendment involves a question of constitutional importance. The question is whether the Legislature should give rule-making powers to an irresponsible Executive? That is the question which my Honourable friend Mr. Abhyankar has raised. My own opinion is that in the present development of the self-governing institutions in this country it would be ridiculous to invest the Executive with rule-making powers. These rules will have the force of law as soon as they are made by the Executive Government. Now, if these rules do not find favour with the Legislature, what is the remedy for the Legislature? The Legislature cannot pass any Resolution which would have the effect of dismissing the Executive. That being so, it would be absolutely suicidal on the part of the Legislature to invest such an Executive with such a rule-making power. My friend Sir Charles Innes says that the procedure in regard to this Act should be uniform throughout British India, and that is the reason why this power is reserved to Local Governments and not to the Provincial Legislatures. I am afraid my friend Sir Charles Innes forgets that different Local Governments might promulgate different kinds of rules, and where would be the uniformity in that case? I can quite understand the Central Government retaining the powers on behalf of all the provinces. But when you propose to give power to each Local Government to frame its own rules, there is bound to be a want of uniformity all round. So, that argument does not hold good. We merely say: "Give power to Local Governments, but each Local Government will have to come up to its Legislature and put before it those rules in the form of a draft Resolution. If the Resolution is approved, let the notification be issued by the Local Governments". And I am opposed to the present irresponsible Government being vested

with any authority of rule-making power. If the Executives were responsible to us, we might next day say: "We trust you or we do not trust you." We might say: "Very well, you go on making the rules. You are responsible to us. If we will not like your rules, we shall dismiss you next day." But here we have no remedy and the amendment proposed is the only safeguard for the people. My friend Mr. Abhyankar is quite right in saying that the irresponsible Executive should not be vested with the power of rule-making.

The second point is this. We have noticed in the course of the discussion on this Bill that different provinces have different views on this Bill. My friend Sir Purshotamdas Thakurdas representing Bombay holds one view. My friends Messrs. Abhyankar and Aney representing the Central Provinces have a different view on the merits of this Bill. So, it is necessary even from that point of view that the Provincial Legislatures should be invested with the power of rule-making, so that whichever province wants this legislation may utilise it and the province that does not want it may not do so.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamadan): May I ask a question of the Honourable Sir Charles Innes? Is it not a fact that this subject is a transferred subject in the provinces and is it not also a fact that the rules will have to be framed by the Local Government in consultation with the Ministry? In other words, by the Ministers responsible to the Legislature.

The Honourable Sir Charles Innes: The Honourable Member is correct, Sir.

Mr. M. V. Abhyankar: The Ministers, under the Government of India Act, are not responsible to the Legislature.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I rise to oppose my Honourable friend Mr. Abhyankar's amendment. My friend Mr. Patel assured the House that if he rose to support his amendment it was principally because of his admiration for Mr. Abhyankar's speech on the Budget. Let me, Sir, in order to avoid being misunderstood, assure my Honourable friend that my opposition to his amendment has nothing to do with his speech on the Budget. My view about that has already been communicated to my Honourable friend. I oppose this amendment, Sir, on its merits irrespective of his views as expressed in the speech on the Budget.

Mr. Abhyankar very frankly reminded the House that this amendment was in keeping with the plea advanced by Mr. Aney from the Central Provinces that in his opinion the subject-matter of this Bill was a fit subject for legislation in the Provincial Council. This House in referring this Bill to a Select Committee, I am afraid, disapproved of or rather disagreed with that plea of Mr. Aney and Mr. Abhyankar. Therefore, I submit that in the very first place this amendment seeks to take us back to the same point of view, namely, that Provincial Councils should have some say and, if this amendment is passed, a very substantial say, in the working of this Bill when it is passed into law. The Honourable Member in charge, Sir, has dealt very fully with the practical difficulties that would arise if this amendment were embodied in the Bill. I do not think I need say anything more on that score except that if this amendment were embodied in the Bill the result will be that a province, which may choose to stand out or

[Sir Purshotamdas Thakurdas.]

which may delay the passing of the necessary rules, would simply hold up the introduction of the very salutary provisions of this Bill in practice not by a few months but by a year each time.

Mr. V. J. Patel: May I ask the Honourable Member whether the Local Government would not do that if so inclined?

Sir Purshotamdas Thakurdas: I am coming to it if the Honourable Member will have a little patience. Sir, this Bill, when it is passed into law, could be put into practical effect only at the beginning of each cotton season, namely, at the beginning of every October in each year. Once the new cotton season begins you have got to wait for a full year before you could put up into practice the Bill when it has passed into law. Therefore I say any machinery that may be suggested for the purpose of rule-making, which is likely to cause delay, (and the Legislative Council is likely to cause much more delay than the Executive Government of a province), should be avoided. My Honourable friend on my right asked me the question whether the Local Governments were not likely to have such delays. I feel, Sir, that the Local Government is put down in the draft Bill as the body which should consider and pass rules as the agents of the Central Government, who are the executive authority for this Assembly. I, Sir, claim that I am as jealous as my Honourable friend on my right of the constitutional progress that we want towards eliminating irresponsible and irremovable Governments as executive authority, but as far as this Bill, when it is passed by this House goes, our executive authority is the Government of India. Now the Government of India appoint the Local Governments as their agents, and the effect of Mr. Abhyankar's amendment would be that the Government of India would be asked to appoint as their agents for the purpose of making rules, another legislative body who are not their agents in any sense of the word, and the result would be that here and there it may very likely lead to a clash between this Assembly and a local Council because Legislative Councils may delay passing rules which are necessary in order to work this Bill effectively. Local Governments have to carry out orders in accordance with certain principles laid down in the Bill, and there has been no case which my Honourable friend can cite where a Local Government has differed from the Government of India and said, "We will not carry out the principles laid down in a Bill passed by the Central Legislature," I therefore feel that in our anxiety for constitutional advance, either direct or indirect, nothing should be done which would give rise to a clash between this Assembly and a local Legislative Council. I will say this; if Mr. Abhyankar will permit me to do so, that the direction in which he seeks advance is likely to lead to mischief. Let us say, we do not want the Central Legislature to consider this Bill and throw it out on that score, or let us decide we want the Central Legislature to carry on this and then appoint executive authorities who will carry out the necessary details as are required under the Bill. Let us not go about it in any indirect manner and try and upset the whole thing just when it reaches the final stage. I therefore say that, having accepted the principle that the subject-matter of this Bill is for the Central Legislature, the House must appoint Local Governments, who are the agents of the Central Government, the executive authority of this House for the purpose of working this Bill when passed into law. I oppose the amendment.

The Honourable Sir Charles Innes (Commerce Member): May I get up to correct a statement made just now. Sir Hari Singh Gour asked me if this Bill was a reserved or a transferred subject. The Bill concerns cotton

ginning and pressing factories, and under the rules factories are a reserved subject, subject to legislation by the Indian Legislature. But I think some of the matters dealt with by this Bill are transferred subjects.

Sir Purshotamdas Thakurdas: If I may add a few words in reply to the correction made by my Honourable friend, I submit that makes no difference at all. The point is who are the agents of the Government of India who are the executive authority of this Assembly for the purpose of carrying through the policy laid down in legislation by the Assembly?

Dr. K. G. Lohokare (Bombay Central Division: Non-Muhammadan Rural): Sir, leaving that point aside, I think there are other reasons as well for placing the powers in the hands of the local Legislature for framing these rules because the conditions of the trade differ in many provinces. In the Punjab, as I was informed in this House, it is the ginning factory owners who mix up inferior cotton with the good cotton. They buy it on their own account, while in other Presidencies the ginning factory owners have practically nothing to do with this mixing or buying of cotton. My trader friends know that they send their own agents down to the agriculturists' villages, and buy their own cotton and it is they themselves who get it ginned, at least in some parts of the Bombay Presidency. In the constituency I come from the gin-owners do not buy cotton on their own account. It is the cotton buyers, these so-called offices who send their representatives down to the villages and buy cotton on their own account, mix one variety with another as they choose

Mr. President: We are only concerned here with the question whether these rules shall be issued with or without the approval of the Legislative Council.

Dr. K. G. Lohokare: Yes, Sir. I may point out that the conditions differ in other provinces and that is the argument I have been following. In order that the provinces may have their own separate rules I pointed out that the conditions differ in each province.

Mr. President: That is provided for in clause 13. The only point is whether the Local Government shall issue the notification with or without the assent of the local Legislature. That is the narrow issue to which the debate is confined.

Dr. K. G. Lohokare: In this case if my friends of the East India Cotton Association had thought it easy for them to get their Bill through the Bombay Council, I think they would have gladly taken that step, but finding it was impossible because there was opposition in the Bombay Council, they chose to put it down here.

Sir Purshotamdas Thakurdas: Just for my Honourable friend's information may I say the opposition he refers to was regarding the Cotton Transport Act and whether the Surat district should be divided into three or two zones. It had nothing to do with this Bill, which was not before the Bombay Council. I am afraid my friend is too premature in thinking they would have thrown it out.

Dr. K. G. Lohokare: Because that was his experience in regard to the Cotton Transport Act, therefore he did not risk this Bill there. That is why they introduced the Bill here, and now he comes in with the plea that the other Provincial Legislatures should not have anything to do with the measure. He wants to put the Provincial Legislatures aside and get his rules through the executive passed at the instance of the India Cotton Committee. That is the whole crux of these rule-making powers.

Sir Purshotamdas Thakurdas: I am sorry to interrupt the Honourable Member again, but I may tell him that the East India Cotton Association did not express a single opinion as to whether this Bill should be introduced in the local Council or in the Legislative Assembly. All through it has been the Indian Central Cotton Committee that has been concerned in this Bill.

Dr. K. G. Lohokare: Well it was one of the two sister committees and it does not matter which. Among them are members who sit both here and there at the same time. They are interested in the same trade and it is for the sake of the trade that they want this. They say that they are going to benefit the agriculturists; but it is not the agriculturists who will be benefited by this at all.

Mr. President: The question of agriculturists does not arise under this amendment. The Honourable Member must keep in order, the question which is in order being whether these rules should be submitted to the local Councils or not.

Dr. K. G. Lohokare: The point that I have been dealing with, Sir, is that the difficulty that has been created in the case of this Bill being taken to the local Legislatures is that they could not convince the agriculturist class that the Bill was in their interests, and that is why they want these things to be put down here so as to do away with the powers of the local Legislature in order that they may frame rules directly from this place. That is my argument in this place, Sir, and I therefore say, if I may refer to what a paper in East Kandesh named *Atmodhar* has distinctly said, it was a very clever move on the part of the capitalist merchants themselves, it was a clever move not in the interests of agriculturists but on their own account. That opinion appeared in a non-Brahmin paper, representing the interests of the agricultural classes.

Sir Purshotamdas Thakurdas: Bring them all in—non-Brahmin and Brahmin, capital and labour; let us have them all brought into this question!

Dr. K. G. Lohokare: Well my Honourable friend will still hear something else about it in some other places too. The whole trouble about the Bill in short is that because the various Cotton Committees could not succeed to get the thing through in the Provincial Legislatures this Bill has been put forth here in order that the Provincial Legislatures and the agriculturists may not have their say on these things at all. I therefore appeal to the House that if they want to consult the agriculturists' interests it must be in the Provincial Legislatures that must have a say, and not only a say but a decision on these rules, and consequently it must be left in their hands whether to say "Yes" or "No" to the various rules that will be framed under this Bill.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I should not have thought of intervening in this debate because it deals with a subject with which I am not familiar—cotton. It appears to create a good deal of heat in this House whenever we talk about cotton. But how the clause now under consideration can in any way be regarded by any person, whether connected with cotton or not connected with cotton

as a plot to deprive the local Legislatures of their powers passes my comprehension. In the intervals of the debate I have glanced at the actual provisions of clause 13. They are of the most trifling kind,—prescription of forms, appointment of authorities, prescription of the kinds of weights and scales and that kind of thing. Is the House really seriously going to consider the advisability (*Mr. V. J. Patel*: “Are not the breaches of these rules made penal?”); is the House seriously going to consider the question of laying down that the affirmative sanction—mark you, it is not even the negative sanction—the affirmative sanction of a local Legislature is necessary for trivial matters of this kind? I merely speak as one who has had to deal with the preparation of Rules and Acts, and I ask the House to consider seriously whether you require subsidiary legislation—that is what it amounts to—subsidiary legislation of an affirmative character with regard to matters of detail. If you go in for that kind of legislation you will render the making of laws exceedingly difficult. The business of a Statute is to lay down principles of real importance, and in every country and in every system of drafting you will find that these petty subsidiary details are relegated to rules. The amendment under consideration makes those rules in effect subject to affirmative legislation by the local Legislature. I therefore oppose the amendment.

Mr. President: The original question was:

“That clause 13 as amended by the Select Committee stand part of the Bill.”

Since which an amendment has been moved:

“That to clause 13 the following proviso be added, namely:

‘Provided that no notification under this section shall be issued by the Local Government unless the rules have been approved by the Legislative Council of the province by a Resolution.’”

The question I have to put is that that amendment be made.

The Assembly divided:

Mr. President: (While Division was proceeding) If Honourable Members will record their own votes instead of trying to get others to record theirs, we shall get through the business quicker.

AYES—34.

Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Belvi, Mr. D. V.
Chanda, Mr. Kamini Kumar.
Dutt, Mr. Amar Nath.
Govind Das, Seth.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Iyengar, Mr. A. Rangaswami.
Jeelani, Haji S. A. K.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kelkar, Mr. N. C.
Kidwai, Shaikh Mushir Hosain.
Lohokare, Dr. K. G.
Mehta, Mr. Jannadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.

Murtuza Sahib Bahadur, Maulvi
Sayad.
Mutalik, Sardar V. N.
Narain Dass, Mr.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Patel, Mr. V. J.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Roy, Mr. Bhabendra Chandra.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Sinha, Mr. Ambika Prasad.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Ganganand.
Syamacharan, Mr.
Tok Kyi, Maung.

NOES—61.

Abdul Mumin, Khan Bahadur Muhammad.
 Abdul Qaiyum, Nawab Sir Sahibzada.
 Abul Kasem, Maulvi.
 Aiyer, Sir P. S. Sivaswamy.
 Akram Hussain, Prince A. M. M.
 Alimuzzaman Chowdhry, Mr.
 Ashworth, Mr. E. H.
 Badi-uz-Zaman, Maulvi.
 Bhore, Mr. J. W.
 Bray, Mr. Denys.
 Burdon, Mr. E.
 Chetty, Mr. R. K. Shanmukham.
 Clarke, Sir Geoffrey.
 Clow, Mr. A. G.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Dalal, Sardar B. A.
 Das, Mr. B.
 Datta, Dr. S. K.
 Fleming, Mr. E. G.
 Ghose, Mr. S. C.
 Ghulam Abbas, Sayyad.
 Gour, Sir Hari Singh.
 Graham, Mr. L.
 Hira Singh Brar, Sardar Bahadur Captain.
 Hudson, Mr. W. F.
 Hussanally, Khan Bahadur M. W.
 Hyder, Dr. L. K.
 Innes, The Honourable Sir Charles.
 Jinnah, Mr. M. A.
 Joshi, Mr. N. M.

Kasturbhai Lalbhai, Mr.
 Makan, Mr. M. E.
 Marr, Mr. A.
 McCallum, Mr. J. L.
 Mitra, The Honourable Sir Bhupendra Nath.
 Moir, Mr. T. E.
 Muddiman, The Honourable Sir Alexander.
 Muhammad Ismail, Khan Bahadur Saiyid.
 Neogy, Mr. K. C.
 Pal, Mr. Bipin Chandra.
 Purshotamdas Thakurdas, Sir.
 Raj Narain, Rai Bahadur.
 Ramachandra Rao, Diwan Bahadur M.
 Rangachariar, Diwan Bahadur T.
 Rau, Mr. P. R.
 Reddi, Mr. K. Venkataramana.
 Rhodes, Sir Campbell.
 Rushbrook Williams, Professor L. F.
 Sadiq Hasan, Mr. S.
 Sarda, Rai Sahib M. Harbilas.
 Sastri, Diwan Bahadur C. V.
 Visvanatha.
 Setalvad, Sir Chimanlal.
 Singh, Rai Bahadur S. N.
 Sykes, Mr. E. F.
 Tonkinson, Mr. H.
 Venkatapatiraju, Mr. B.
 Webb, Mr. M.
 Willson, Mr. W. S. J.
 Wilson, Mr. R. A.
 Yakub, Maulvi Muhammad.

The motion was negatived.

Clause 13 was added to the Bill.

Clauses 14 and 15 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

The Honourable Sir Charles Innes: Sir, I move that the Bill be passed.

Mr. President: The question is:

“That the Bill to provide for the better regulation of cotton ginning and cotton pressing factories, as amended by the Select Committee, be passed.”

The motion was adopted.

RESOLUTION RE REPRESENTATION OF THE LEGISLATIVE ASSEMBLY ON THE GOVERNING BODY OF THE LADY HARDINGE MEDICAL COLLEGE.

Mr. J. W. Bhore (Secretary, Department of Education, Health and Lands): Sir, I shall explain my Resolution in a very few words. The Lady Hardinge Medical College came into existence as the result of munificent generosity of private persons and its management is vested in a corporation formed under Act XXI of 1860. The Government however contribute largely every year to its upkeep and their contributions have

no doubt led this House to evince a very special interest in the management of this institution. The Governing Body have welcomed this interest. They consider that the presence of representatives of this House upon the Governing Body will be of real value to the management and they have therefore come forward with this very definite request, namely, that Government should nominate two representatives to be selected from a panel of six Members elected by this House, and that request is embodied in the Resolution which I now beg to move.

Mr. President: Resolution moved:

"That this Assembly recommends to the Governor General in Council that he may be pleased to take steps to secure the appointment to the Governing Body of the Lady Hardinge Medical College, Delhi, of two Members of this House to be nominated by him from a panel of six Members to be elected by this House."

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, I acknowledge the great compliment paid to this House by the Government in asking them to elect a panel from which they propose to take two Members for the Governing Body of this institution—and a very good institution it is in my opinion. Sir, it appears to me that we are being asked to go down rather than upwards. It seems to me a highly doubtful matter whether under the terms of the Statute under which this Assembly is constituted we can delegate people to manage institutions all over the land. We are making contributions not only to the Lady Hardinge Medical College but to hundreds of institutions from the central funds if not hundreds at least tens. Now, the question is, are we going to set a precedent, an inconvenient precedent like this of electing representatives to go and sit on the managing board of every one of these institutions? It may vary from a dispensary to a college; it may vary in character. We as Members of the Assembly have come here to assist in legislation and in the administration of the Government of India. When we are asking for advancement upwards, that we should take part in the government of the country, we are here asked, Sir, very graciously indeed by the Government to take part in the management of an institution. I suppose this is the reform which is coming. I do think it is a matter which the House should consider very deeply indeed before it commits itself to a position of this sort. I do not think, Sir, the Parliament in England does so—we are called the Indian Parliament—(*An Honourable Member:* "A mock Parliament!") Do not make it more of a mock Parliament—do not make it a really mock Parliament. Therefore, Sir, I do not think this is a matter which we should encourage. I think our aim should be high, and, till our aims are reached we shall not lend ourselves to this sort of downward movement as I consider it. Sir, I oppose the motion.

The Honourable Sir Alexander Muddiman (Home Member): Sir, I have listened to my Honourable friend, Diwan Bahadur Rangachariar with my usual interest and I think I must admit at once that he made a very considerable point. I do think it is a question of some constitutional importance whether this House should elect Members to serve on the governing body of an institution of this kind; I personally do not feel quite sure where it would stop. I must, however, make it quite plain that the reason why this Government brought forward this Resolution was that it was requested by the Governing Body to do so and I merely ask the House to come to a

[Sir Alexander Muddiman.]

decision on that definite request. If it considers—and I think as I said before that my Honourable friend has indicated very good reasons for his point of view—that it should not accede to the request, it will express itself to that effect. We merely desired that the motion should actually be put to the House in order that the House may express a definite “Yea” or “Nay” on the situation that has been created by this request. In my own view I think that representation on bodies of this kind should be by individual members if at all and not by representatives of this House. I believe one of the reasons that the Governing Body were anxious to obtain the direct representation of the House was the very great interest that has been taken in the actions of the Governing Body by individual Members of this House. Sir, I hope that the question may now be put to the House for a definite “Yea” or “Nay”.

Dr. S. K. Datta (Nominated: Indian Christians): Sir, I agree with Mr. Rangachariar in his opposition to the Resolution. We will land ourselves in a hopeless mess. Whenever a body wants money to be voted by the Assembly they will send an invitation and ask us to appoint representatives to their governing body. In the second place, Sir, some years ago, Mr. Ramachandra Rao and myself had an opportunity of examining the constitutions of the governing bodies of various educational institutions in England. And the thing I think that left the deepest impression on my mind was that they were absolutely independent of political influence. Sir, I feel that our educational bodies in this country should be completely safeguarded from those influences. With these words I oppose the Resolution moved by my Honourable friend Mr. Bhore.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamanadan): Sir, I was somewhat surprised to hear my Honourable friend Diwan Bahadur Rangachariar opposing this motion of the Honourable Mr. Bhore for the representation of this House on the Governing Body of the Lady Hardinge Medical College, because I have a vivid recollection of the active part which the Diwan Bahadur took in the representation of this House on another learned institution, namely, the Delhi University, and I do not think, Sir.

Diwan Bahadur T. Rangachariar: It is provided for by the Statute itself.

Sir Hari Singh Gour: And I do not think, Sir, that there was a single discordant note struck at the time when the Bill was passing through this House. And so this House is represented on the Senate of the Delhi University. If that be the right principle, I fail to understand why this Resolution enunciates a wrong principle. But there are no doubt weighty objections to the course proposed by Mr. Bhore. As the Honourable Members of this House are aware, the affairs of the Lady Hardinge Medical College have been before this House for a considerable time, and the question before this House is not whether those affairs can be mended by reinforcing the Governing Body, and whether they do not call for a more drastic remedy. I think this peace-offering on the part of the Governing Body is merely a palliative, and the Governing Body will very soon find that if that institution is to fulfil the function for which it was opened and in fact to become even a more useful public institution (Mr. N. M. Joshi: “Affiliate it to the Delhi University.”) than it is at present, then I think

it requires a complete reorganization and its co-relation with the educational institutions within the geographical limits of which it is situate (*Mr. A. Rangaswami Iyengar*: "Namely the Delhi University"). I therefore submit, Sir, that the proposal which the Honourable Mr. Bhore has made must not be regarded as a solution of the question.

Then my friend Dr. Datta and I think Diwan Bahadur Rangachariar both said that merely because this House makes an annual grant to the Lady Hardinge Medical College, is that any reason why this House should be represented on that body? Well, I think, Sir, both of these Honourable Members are aware of the fact that this House is a jealous guardian of the public purse, and it is represented not merely upon those institutions to which the funds of the public are devoted, but it has a right to be represented upon all institutions which draw their nourishment from the central funds of the Government of India. I therefore submit that there is nothing radically wrong in principle that this House should be represented on the governing body of an institution which is mainly supported by funds voted by the Legislature. I therefore submit, Sir, that so far as the principle is concerned, it is right. But I have my doubts as to whether the solution proposed by the Governing Body and their mouthpiece in this House is the right solution.

An Honourable Member: I move that the question may now be put, Sir.

Diwan Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): May I formally move, Sir, that this proposition be not proceeded with?

Mr. President: Amendment moved:

"That this proposition be not proceeded with."

The question is that this Resolution be not proceeded with.

The motion was adopted.

Mr. President: This House now stands adjourned till to-morrow at Eleven O' Clock in the morning. But before Honourable Members disperse, I may remind them that a photograph is to be taken at half past ten to-morrow morning, and I hope that there will be a large gathering.

The Assembly then adjourned till Eleven of the Clock on Friday, the 6th March, 1925.

LEGISLATIVE ASSEMBLY.

Friday, 6th March, 1925.

The Assembly met in the Assembly Chamber at Eleven of the Clock,
Mr. President in the Chair.

MEMBER SWORN:

Mr. Allan Hubert Lloyd, M.L.A. (Member, Central Board of Revenue).

QUESTIONS AND ANSWERS.

The Honourable Sir Alexander Muddiman: Sir, with your permission I will answer the questions on behalf of Sir Charles Innes who is unavoidably detained elsewhere.

APPOINTMENT OF INDIANS AS TRAFFIC INSPECTORS ON THE NORTH WESTERN RAILWAY.

1097. ***Mr. Chaman Lall:** (a) Are Government aware that in the Council of State the Government of India accepted the Resolution of the Honourable Rai Bahadur Lala Ram Saran Das on the 28th February 1923, regarding appointment of Indians in the Traffic Inspector's cadre of each State Railway?

(b) If the reply be in the affirmative, will Government please state what practical steps have so far been taken to give effect to this reform on the North Western Railway and also state specific instances in which Indians have either been recruited or promoted to this cadre permanently?

The Honourable Sir Alexander Muddiman: (a) Yes.

(b) The Honourable Member is referred to the reply to parts (b) and (c) of Sardar Gulab Singh's unstarred question No. 65 of the 2nd February 1925.

APPOINTMENT OF INDIANS AS TRAFFIC INSPECTORS ON THE NORTH WESTERN RAILWAY.

1098. ***Mr. Chaman Lall:** (a) Are the Government aware that four vacancies of Traffic Inspectors occurred on North Western Railway after the Resolution of Rai Bahadur Lala Ram Saran Das was accepted?

(b) If the reply is in the affirmative, will Government please state whether Indians have been appointed to fill up these vacancies in pursuance of the spirit of this Resolution?

The Honourable Sir Alexander Muddiman: (a) and (b). The Honourable Member is referred to the reply to part (c) of Sardar Gulab Singh's unstarred question No. 65 of the 2nd February 1925.

APPOINTMENT OF INDIANS AS TRAFFIC INSPECTORS ON THE NORTH WESTERN RAILWAY.

1099. ***Mr. Chaman Lall:** In reference to the reply given by the Honourable Commerce Member to the Honourable Sardar Kartar Singh, M.L.A., in the last session, namely, that the Resolution of the Honourable Rai Bahadur Lala Ram Saran Das was brought to the special notice of the Railway administrations and the demand for the advancement of qualified Indians to the position of Traffic Inspectors was impressed on them, will Government please state what effect this has had on the North Western Railway and what meaning is attached to the words "Qualified Indians"?

The Honourable Sir Alexander Muddiman: I am unable to trace the particular reply to which the Honourable Member refers and I must ask him to put another question down. But I would refer him to the reply given to Sardar Gulab Singh's questions Nos. 65 and 66 of 2nd February last.

PROSPECTS OF INDIAN GRADUATES ON THE NORTH WESTERN RAILWAY.

1100. ***Mr. Chaman Lall:** (a) Are the Government aware that more than two dozens of Indian graduates of Indian Universities are working as subordinates in the head office of the North Western Railway at Lahore on the Non-Technical side, i.e., the Traffic Department in the Rates, Claims and Establishment Sections amongst whom there are M.A.'s, B.A. LL.B.'s, and M.A. LL.B.'s also?

(b) If the reply is in the affirmative, will Government please state in each case the names with their educational qualifications, dates of appointment, the starting salary, the present pay and grade and since when each is getting this pay, the training given to each to rise in the higher rank of subordinate service, what is the designation and duty of each and lastly what future is in store for them?

The Honourable Sir Alexander Muddiman: Government have no information and do not propose to collect the particulars asked for.

Mr. Chaman Lall: Will the Government say, Sir, why they are not prepared to get the information on the subject?

The Honourable Sir Alexander Muddiman: Apparently the Government consider that it is not of sufficient importance to get this information.

Mr. Chaman Lall: Is the Honourable Member aware that we consider it to be of sufficient importance?

The Honourable Sir Alexander Muddiman: I am aware that the Honourable Member does.

Mr. Chaman Lall: Is the Honourable Member aware that more Members than one consider it important?

The Honourable Sir Alexander Muddiman: I am at any rate certain in saying that one does.

DISCONTENT AMONG INDIAN GRADUATES EMPLOYED IN THE TRAFFIC SIDE OF THE NORTH WESTERN RAILWAY.

1101. ***Mr. Chaman Lall:** (a) Has the attention of the Government been drawn to the editorial "Indians in the Railway Department", which appeared in the columns of the *Tribune* dated 22nd August 1924?

(b) If the reply be in the affirmative, will Government please state what efforts are being made by the North Western Railway to allay the discontent among graduates in the Traffic side of the North Western Railway?

The Honourable Sir Alexander Muddiman: The Honourable Member is referred to the reply given to a similar question No. 66 asked by Sardar Gulab Singh on the 2nd February 1925.

EDUCATIONAL QUALIFICATIONS OF MR. HAMMIL, RATES INSPECTOR,
NORTH WESTERN RAILWAY.

1102. ***Mr. Chaman Lall:** (a) Are Government aware that one Lala Diwan Chand, M.A., was appointed by the North Western Railway on Rs. 75 in 1918 as Rates Inspector?

(b) If the reply be in the affirmative, will Government please state the necessity of appointing an Anglo-Indian, Mr. Hammil, on Rs. 180 as Rates Inspector and reverting Mr. Diwan Chand, M.A., to the post of an Assistant Rates Inspector?

(c) Will Government please state the educational qualifications of Mr. Hammil?

The Honourable Sir Alexander Muddiman: (a), (b) and (c). Government cannot undertake to inquire into the propriety of the promotion or reversion of particular officers in the subordinate railway service.

RECRUITMENT OF INDIANS FOR CERTAIN SPECIFIED APPOINTMENTS ON THE
NORTH-WESTERN RAILWAY.

1103. ***Mr. Chaman Lall:** (a) Are Government aware that on the North Western Railway only Europeans and Anglo-Indians are recruited direct as "C" Class Guards?

(b) Will Government please state why Indians on the North Western Railway are debarred from this appointment and others as for example the posts of Assistant Station Masters and Station Masters E, F and Special Class, Station Superintendents and Train Controllers?

The Honourable Sir Alexander Muddiman: Government have sent the question to the Agent of the Railway for his remarks.

PROMOTION OF INDIAN GRADUATES TO THE POSTS OF ASSISTANT TRAFFIC
SUPERINTENDENTS ON THE NORTH WESTERN RAILWAY.

1104. ***Mr. Chaman Lall:** (a) Are Government aware that in all Public Services among Gazetted Officers and therefore in the Imperial and Provincial Traffic Service (Non-Technical Branch) the minimum qualification required of Indians is that a man should be a graduate?

(b) If the reply to the above be in the affirmative, will Government please state with regard to the North Western Railway:

(i) What is the obstacle in the way of promoting these qualified Indian graduates in the North Western Railway working in the Rates, Claims and Establishment Branches and others, if any, to posts of Assistant Traffic Superintendents?

(ii) Why they are not given preference over other outsiders when recruitment of Assistant Traffic Superintendents is done by the Railway Board?

- (iii) Why cannot they be promoted to posts of even Commercial Superintendents, Station Superintendents, Traffic Inspectors which are subordinate services and rank lower than the posts of Assistant Traffic Superintendents?

The Honourable Sir Alexander Muddiman: (a) Yes, this is normally so. Candidates for the Local Traffic Service of State Railways from sources other than Engineering or other Technical Colleges, or the Subordinate Revenue Establishment of State Railways have to be graduates of an Indian University or have passed the final or high standard (or equivalent) examination prescribed for European Schools.

(b) (i) There is no obstacle.

(ii) Provided they have given evidence of practical qualifications and capacity for the duties required and are otherwise suitable for promotion there is no reason why they should not be preferred.

(iii) Appointments to posts of this nature must necessarily be left to the discretion of Agents whose selection is based on practical qualifications and experience of the men concerned.

CASE OF AHMED SAYID, A GRADUATE EMPLOYED ON THE NORTH WESTERN RAILWAY.

1105. ***Mr. Chaman Lall:** Is it a fact that one Ahmed Sayid, B.A., one of those graduates appointed in 1918 by the North Western Railway, is on temporary service, is getting the same pay on which he was appointed, namely, Rs. 95, and that all the applications that he made during six years have not been heeded?

The Honourable Sir Alexander Muddiman: The Honourable Member is referred to the reply given to question No. 1102.

GRIEVANCES OF INDIAN GRADUATES EMPLOYED IN THE CLAIMS SECTION OF THE NORTH WESTERN RAILWAY.

†1106. ***Mr. Chaman Lall:** (a) Is it a fact that graduates appointed on the Claims side of the North Western Railway in 1921, were told that they had been appointed on Rs. 75—5—95 and that they would be confirmed after one year?

(b) Are Government aware that in an interview which the clerical staff of the Claims Office of the North Western Railway had with Mr. J. H. Chase, Deputy T. M. Claims, in 1921, at the time of appointment of the graduates mentioned in part (a) they were told that the North Western Railway had appointed qualified Indian graduates for higher posts who had, therefore, not superseded them as clerks?

(c) Are Government aware that Mr. V. H. Boalch, Traffic Manager, North Western Railway, in an interview which he himself offered to these graduates in 1923, told them that they had been appointed for the purpose of attaining higher ranks of Railway Service?

(d) If the reply to (b) and (c) be in the affirmative, will Government please state why the graduates were told that they had been appointed as clerks on Rs. 75—5—95 and also state whether it is a fact that they are still temporary, have got no increment contrary even to the terms of their appointment and all the applications made by them during three years are still pending?

GRIEVANCES OF INDIAN GRADUATES EMPLOYED IN THE CLAIMS SECTION
OF THE NORTH WESTERN RAILWAY.

1107. ***Mr. Chaman Lall:** (a) Is it a fact that the reply given to these graduates now is that a certain circular issued by the Agent, North Western Railway, in 1924, i.e., 2½ years after their appointment, prohibits their confirmation and earning of all due increments of last years?

(b) Are Government aware that this is against the provision of the Civil Service Regulations and Fundamental Rules?

(c) Is it a fact that in the middle of 1922 when questions were being asked in the Assembly all the graduates in the Claims Section of the North Western Railway were compelled to note an order of Mr. J. H. Chase, Deputy T. M. Claims, which prohibited their rising even to the post of a Claims Inspector Rs. 150—10—190 and Senior Claims Tracers Rs. 105—5—140?

(d) Are Government aware that a copy of this order was placed on the personal file of each graduate duly noted by him as a permanent record?

(e) If the reply to parts (a) and (b) is in the affirmative, will Government please lay on table a copy of this order and explain also what necessitated its issue and its being placed on the personal file of each graduate?

The Honourable Sir Alexander Muddiman: I propose, Sir, with your permission to answer questions Nos. 1106 and 1107 together.

If the persons referred to by the Honourable Member have any grievances they should make representations to the Agent of the Railway, who, I am sure will consider them carefully.

Mr. Chaman Lall: Is the Honourable Member aware that representations have been made to the Agent of the Railway and that nothing has been done?

The Honourable Sir Alexander Muddiman: I was not aware of that, Sir.

Mr. Chaman Lall: Is the Honourable Member prepared to draw the Agent's attention to this particular matter?

The Honourable Sir Alexander Muddiman: A copy of the answer I have given will be sent to the Agent.

HONORARY ASSISTANT TRAFFIC SUPERINTENDENTS ON THE NORTH
WESTERN RAILWAY.

1108. ***Mr. Chaman Lall:** (a) Will Government please lay on the table a statement showing the names and pay of Commercial Superintendents officiating and honorary A. T. S. on the North Western Railway, the date of their promotion to these posts, their educational qualifications and state also how many graduates are working under the immediate charge of each, on what pay and in what capacity?

(b) Will Government please state whether any lawyers (B.A. LL.B's. and M.A. LL.B's.) are working under the immediate charge of any Commercial Superintendent, honorary and officiating, A. T. S. on the North Western Railway?

(c) If the reply be in the affirmative, will Government please state the officers' educational qualifications and his duty in each case?

The Honourable Sir Alexander Muddiman: Government have not got the information and cannot undertake to obtain it.

COMMERCIAL SUPERINTENDENTS ON THE NORTE WESTERN RAILWAY.

†1109. ***Mr. Chaman Lall:** (a) Is it a fact that Messrs. P. F. Finnigan and A. Heath were appointed by the North Western Railway in 1918 and 1919, respectively on Rs. 150 each as Claims Inspectors and that they are now getting about Rs. 500 as Commercial Superintendents?

(b) If the reply is in the affirmative will Government please state their educational qualifications and state how many Indians have they superseded?

(c) Could not some graduates and other qualified Indians be promoted to fill up this vacancy?

QUALIFICATIONS OF MESSRS. H. E. GATELAY AND E. J. GATELAY, TRAIN CONTROLLERS ON THE NORTH WESTERN RAILWAY.

†1110. ***Mr. Chaman Lall:** (a) Are the Government aware that Messrs. H. E. Gateley and E. J. Gateley were both appointed by the North Western Railway in 1923, as B Class guards on Rs. 65 each and that they are now getting Rs. 310, and are in the grade of Rs. 310—20—500 as Train Controllers?

(b) If the reply be in the affirmative will Government please state their educational or other special qualifications for such a speedy rise and also state how many Indians have they superseded and what was the period of service of each Indian in this case?

QUALIFICATIONS OF MR. L. C. RYAN, A TRAIN CONTROLLER ON THE NORTH WESTERN RAILWAY.

1111. ***Mr. Chaman Lall:** (a) Is it a fact that L. C. Ryan was recruited by the North Western Railway as a C Class guard in 1923 on Rs. 125 and is now getting Rs. 310 and is in the grade of Rs. 310—20—500, working as a Train Controller?

(b) If the reply to the above be in the affirmative will Government please state:

A. The age of L. C. Ryan?

B. His educational or other special qualifications?

C. How many Indian guards of lower class have been debarred from rising to this post to which he was recruited direct?

D. What is the age and period of service of such Indian guards?

The Honourable Sir Alexander Muddiman: With your permission, Sir, I propose to answer questions Nos. 1109, 1110 and 1111 together. The answer is the same as that already given to question No. 1102, namely, that the Government cannot undertake to inquire into the propriety of the promotion or reversion of individual officers in subordinate railway employ.

OFFICERS DRAWING £200 A YEAR AND OVER EMPLOYED BY THE GOVERNMENT OF INDIA AT THE LAST BRITISH EMPIRE EXHIBITION.

1112. ***Mr. S. C. Ghose:** (a) Will the Government state the names of the European and Indian officials drawing £200 a year and over who were employed by the Government of India at the last British Empire Exhibition at Wembley?

(b) Will the Government state the period of the employment of the above officials and the amount of salaries paid to them?

The Honourable Sir Alexander Muddiman: A statement giving the information asked for by the Honourable Member is placed on the table.

Appointment.	Tenure.	Salary.	Names of Holders.
I. Secretary to the Indian Advisory Committee.	From 19th October 1922 to 31st December 1922.	£500 per annum.	Mr. John Campbell, C.B.E., I.C.S. (retd.).
Ditto	January 1923	£500 per annum	Sir J. G. Cumming, I.C.S. (retd.).
Ditto	From 1st February 1923 to 31st March 1924.	£500 per annum	Mr. E. A. Kendall, I.C.S. (retd.).
Organising Secretary	From 1st April 1924 to 31st March 1925.	£500 per annum	Mr. F. A. M. Vincent, C.I.E., M.V.O.
Assistant Secretary to the Indian Advisory Committee.	From December 1923 to March 1924.	£300 per annum	Ditto.
Assistant Organising Secretary.	From April 1924 to 1st week of November 1924.	£280 per annum	Major T. E. Gullick.
Commissioner for India for the British Empire Exhibition.	From June 1922 to March 1925.	Rs. 2,000 a month in India and Rs. 2,500 a month in England.	Dewan Bahadur T. Vijayaraghavacharya.
Three clerks and Stenographers.	1924-25	£200—300	Not known.
Officer-in-charge of the Geological Survey Court.	From 28th December 1923 to 13th January 1925.	Rs. 550 a month.	Mr. A. K. Banerji.

Appointment.	Tenure.	Amounts paid.	Names of Holders.
II. Officers in the Railway Court—		£ s. d.	
Supervising Officer	From 1st January 1924 to 30th September 1924.	689 8 1	A. E. Pearse.
Officer in Charge	From 15th April 1924 to 15th May 1924.	71 17 0	Capt. G. Walton.
Ditto	From 15th May 1924 to 30th June 1924.	149 6 2	Mr. M. C. G. Young.
Ditto	July 1924	27 0 1	Mr. W. T. Griffiths.
Ditto	August 1924	124 13 11	Mr. K. Preston.
Ditto	September 1924	36 17 6	Mr. J. J. C. Paterson.
Ditto	From 1st October 1924 to 10th December 1924.	291 17 9	Mr. A. H. Joselyne.

Appointment.	Tenure.	Amounts paid.	Names of Holders.
II. Officers in the Railway Court— <i>contd.</i> Permanent official	From 1st April 1924 to 11th December 1924.	£ s. d. 229 16 1	Mr. C. Tole
Subordinates on duty	From 15th April 1924 to 15th May 1924.	34 12 1	Mr. A. Lindsay.
	From 15th April 1924 to 15th June 1924.	13 1 6	Mr. J. F. Hardie.
	From 15th May 1924 to 15th July 1924.	113 14 2	Mr. D. G. Granze.
	From 15th June 1924 to 1st August 1924 and from 1st September 1924 to 1st October 1924.	73 11 4	Mr. E. Hall.
	From 15th July 1924 to 15th September 1924.	14 16 1	Mr. J. Moir.
	From 1st August 1924 to 1st September 1924 and from 1st October 1924 to 30th November 1924.	64 9 2	Mr. H. H. Veevers.
	From 15th September 1924 to 1st November 1924.	87 19 1	Mr. F. J. Brooks.

In addition a Captain Stanley was employed as Secretary to the Supervising Officer on £5 a week. The period of his appointment is not known.

The amounts shown under "Amounts paid" against the officers in the Railway Court were either amounts due on account of deputation or honoraria for work during leave.

RECRUITMENT OF DISTRICT AND SESSIONS JUDGES FROM THE BAR.

1113. ***Mr. S. C. Ghose:** (a) Will the Government state if the recommendations of the Public Services Commission presided over by Lord Islington as regards the recruitment of District Judges from the Bar have been accepted by the Government of India and the Local Governments?

(b) Will the Government make inquiries from the Local Governments as to the numbers of District Judges recruited from the Bar during the last five years and the years in which the recruitment took place?

(c) Will the Government inquire and state for what inexplicable reasons Local Governments have ceased to recruit District Judges from the Bar?

The Honourable Sir Alexander Muddiman: (a) I would invite the Honourable Member's attention to paragraph 11 of the Home Department Resolution No. 2559, dated the 1st December 1920, a copy of which I will send him.

(b) and (c). I am not aware that the facts are as stated by the Honourable Member, but I will make inquiries.

GOVERNMENT OF INDIA OFFICIALS SERVING OUTSIDE INDIA.

1114. ***Mr. S. C. Ghose:** (a) Will the Government state the names of the Government of India officials serving outside India and what salaries and allowances they are receiving?

(b) Will the Government state what salaries the above officials were drawing before proceeding overseas?

The Honourable Sir Alexander Muddiman: The information is being collected and will be supplied to the Honourable Member in due course.

PROVISION OF A WAITING ROOM FOR WOMEN AT GOURIPUR STATION ON THE EASTERN BENGAL RAILWAY.

1115. ***Mr. S. C. Ghose:** (a) Has the attention of the Government been drawn to the letter written by B. Sen Gupta in the *Forward* of the 10th February, 1925, as regards the want of a waiting room for women at Gouripur station?

(b) Are the Government prepared to direct the railway authorities concerned to construct a waiting room for women as soon as possible?

The Honourable Sir Alexander Muddiman: Railway Administrations have discretion to provide such facilities as waiting rooms, etc., at stations where the provision is justified by the traffic offering. A copy of the question and answer will, however, be sent to the Agent, Eastern Bengal Railway.

LABOUR CONTRACTORS ON THE EASTERN BENGAL RAILWAY.

1116. ***Mr. T. C. Goswami:** (a) Are the Government of India aware that Rai Bahadur Nihal Singh and Lakshmi Chand have been labour contractors on the Eastern Bengal Railway for the last three years and that their agreement will expire on the 31st March, next?

(b) Is it proposed that, after the expiry of their agreement, the contract will be given to a European firm of Calcutta?

(c) Will the Government of India state whether the transfer of the contract is proposed to be made owing to the unsatisfactory management of the present Indian contractors?

(d) If not, will the Government of India state the reasons for transferring the contract to a European firm?

The Honourable Sir Alexander Muddiman: Government have no information. They do not admit the implication in the question and they have no doubt that whatever action the Agent has taken in the matter has been taken in the interests of the Railway.

DATES OF THE SIGNING OF THE WARRANTS OF PERSONS ARRESTED ON THE 25TH OCTOBER, 1924, UNDER BENGAL REGULATION III OF 1818.

1117. ***Mr. Gaya Prasad Singh:** Is it a fact that the warrants of some of the persons arrested in Bengal on 25th October, 1924, under Regulation III of 1818, were signed on the 27th August, 1924, the day after the rejection of the Ministers' salaries by the Bengal Legislative Council?

If so, will the Government be pleased to give the names of the persons whose warrants were so signed?

The Honourable Sir Alexander Muddiman: I lay on the table a list of persons who were arrested on October 25th.

I am not prepared to make any statement as to the date on which the warrants were issued, except that there was no connection whatever between this and any proceedings in the Bengal Legislative Council.

List of persons arrested on the 25th October, 1924, under Regulation III of 1818.

Suresh Chandra Bharadwaj, Madan Mohan Bhaumik, Ramendra Nath Das, Hari Kumar Chakravarti, Girendra Nath Banarji, Angshu Prakash Banarji, Anukul Chandra Mukharji, Narain Chandra Banarji, Ananda Kishor Mazumdar, Surendra Mohan Ghosh, Amar Krishna Ghosh, Anil Baran Rai, Satyendra Nath Mitra, Subash Chandra Bose, Ganesh Chandra Ghosh, Rangit Kumar Banarji, Naresh Chandra Datta Chaudhuri and Aswini Kumar Ganguli.

INTRODUCTION OF LEGISLATION IN THE LEGISLATIVE ASSEMBLY TO SUPPLEMENT THE BENGAL CRIMINAL LAW (AMENDMENT) ACT.

1118. ***Mr. Gaya Prasad Singh:** (a) With reference to the statement made by His Excellency the Viceroy on the 20th January, 1925, in course of his speech in this House that "it may also become necessary for my Government to introduce in the Legislature a measure to define the powers of the High Court in relation to tribunals and proceedings under the special Bengal Criminal Legislation," will the Government be pleased to say if it is contemplated to introduce such a measure during the current session?

(b) Has His Majesty in Council signified assent to the Bengal Criminal Law (Amendment) Act?

The Honourable Sir Alexander Muddiman: I am not at present in a position to make any statement.

LEVY OF TOLL ON THE BENGAL AND NORTH WESTERN RAILWAY BRIDGE OVER THE GUNDUK AT SONEPUR.

1119. ***Mr. Gaya Prasad Singh:** (a) With reference to my question No. 4 of the 22nd January, 1925, regarding the toll on the Bengal and North Western Railway bridge over the Gundak at Sonepur, will the Government be pleased to state whether the toll of one anna per head for foot-passengers was levied with the approval of the Secretary of State, in accordance with clause 36 of the Principal Contract between him and the Railway Company concerned, and which runs as follows:

"If the Company shall, with the approval of the Secretary of State provide on any of its bridges, roadways for foot-passengers, cattle, or carts, the Company shall have the right to charge during the continuance of the contract tolls on the traffic over such roadways according to Tariffs to be arranged between the Secretary of State and the Company"?

(b) If the answer to the above be in the affirmative, will the Government be pleased to state in what year did the Secretary of State give his approval?

(c) Is it a fact that the toll of one anna or more per head is not levied on any other railway bridge in India? If so, are the Government prepared to secure an abolition of, or at least a reduction in, the rate of the toll over the Sonepur bridge?

The Honourable Sir Alexander Muddiman: (a) and (b). The bridge was opened to public traffic in 1887. At this distance of time I cannot say whether the specific approval of the Secretary of State was obtained, but it can be assumed that it was given either by him or by some authority acting for him.

(c) The matter is primarily one for the Government of Bihar and Orissa.

Mr. Devaki Prasad Sinha: Are the Government of India aware that the Government of Bihar and Orissa have already sent in their recommendations to that effect?

The Honourable Sir Alexander Muddiman: I am not in a position to say that.

LEVY OF TOLL ON RAILWAY BRIDGES.

1120. ***Mr. Gaya Prasad Singh:** Will the Government be pleased to furnish a statement of the railway bridges in India, which are free for foot-passengers' traffic, and also those on which tolls are levied, showing the rate of such toll on each bridge?

The Honourable Sir Alexander Muddiman: The Government have not got the information and they do not see what value it would have if they collected it.

RECRUITMENT OF APPRENTICES ON THE OUDH AND ROHILKHAND RAILWAY.

1121. ***Mr. Gaya Prasad Singh:** (a) Has the attention of the Government been drawn to an advertisement which appeared in the *Wealth and Welfare* of Lucknow, dated the 13th February, 1925, over the signature of A. E. Pearce, Chief Mechanical Engineer, Oudh and Rohilkhand Railway, Lucknow, in which it is stated that "An examination will be held on Friday, the 20th February, 1925, to fill vacancy for European and Anglo-Indian Apprentices in the Locomotive, Carriage and Wagon and Electrical Departments"?

(b) Will the Government kindly state why the Indians have been excluded from the examination? Is there any rule on the subject; and if so, will the Government be pleased to quote it?

The Honourable Sir Alexander Muddiman: (a) Yes, Government have seen the advertisement referred to.

(b) The Honourable Member's attention is invited to the reply given to question No. 1068 asked by Mr. C. S. Ranga Iyer on the 27th May, 1924. There is no special reason for excluding Indians except that the existing arrangements were not designed for the purpose because an alternative in the Government Technical College was contemplated. This alternative has not materialised and the necessary change in arrangements is under consideration.

FIREMEN IN THE RAILWAY WORKSHOPS AT SUKKUR AND KARACHI.

1122. ***Khan Bahadur W. M. Hussanally:** How many literates have been taken as firemen in the Workshops at Sukkur and Karachi, and out of how many?

The Honourable Sir Alexander Muddiman: Government do not know.

EMPLOYMENT OF MATRICULATES AS FIREMEN ON THE NORTH WESTERN RAILWAY.

1123. ***Khan Bahadur W. M. Hussanally**: (a) Is it a fact that about a year ago a special allowance was sanctioned for Matriculates to join as firemen in railway locomotives on the North Western Railway?

(b) If so, will Government be pleased to lay on the table the rules framed under which such men were to be recruited?

(c) Was there sufficient response? If not, why?

(d) Are the rules still in force?

(e) Is it a fact that sons of men who had war service were recruited only?

The Honourable Sir Alexander Muddiman: (a) to (e). Government have no information on the subject and do not propose to obtain it.

RATES OF PAY OF EUROPEAN, PARSI, CHRISTIAN, ANGLO-INDIAN AND INDIAN GUARDS ON THE NORTH WESTERN RAILWAY.

†1124. ***Khan Bahadur W. M. Hussanally**: (a) Is it a fact that on the North Western Railway a European guard is recruited on Rs. 125 per mensem; a Parsi, Christian or Anglo-Indian on Rs. 75 per mensem; and an Indian on Rs. 40 only?

(b) If so, why these distinctions between (i) a European and others and (ii) between Indian and Indian?

EUROPEAN, ANGLO-INDIAN, CHRISTIAN, PARSI AND INDIAN GUARDS ON THE NORTH WESTERN RAILWAY.

1125. ***Khan Bahadur W. M. Hussanally**: (a) Is it a fact that seniority goes by pay and not by length of service and ability?

(b) Is it a fact that an Indian guard of 20 years' service still runs with goods trains while European, Anglo-Indian, Christian or Parsi guards with much less service run with mail and passenger trains? If so, why this distinction?

The Honourable Sir Alexander Muddiman: With your permission, Sir, I will answer questions Nos. 1124 and 1125 together. There is nothing in the rules, but I will inquire as to the practice.

HOURS OF DUTY OF RAILWAY GUARDS AND DRIVERS.

1126. ***Khan Bahadur W. M. Hussanally**: (a) Are hours of duty fixed for drivers and guards? If so, how many hours a day are they to perform?

(b) Is it a fact that guards and drivers are kept ordinarily on duty for much longer than these fixed hours. What is the maximum time a guard or driver is kept on duty at a time?

The Honourable Sir Alexander Muddiman: (a) and (b). Owing to the nature of their work it is not possible to prescribe definite hours of duty for running staff. These must necessarily vary according to the class of train worked, the length of section over which it is run and the quantity of traffic offering at the time. Every endeavour is made to ensure that running staff are not kept unduly long hours on duty.

†For answer to this question, see below question No. 1125.

Khan Bahadur W. M. Hussanally: Are Government prepared to fix the maximum and minimum time?

The Honourable Sir Alexander Muddiman: I am not very conversant with duties of the running staff, and I would suggest to the Honourable Member that he should put down a question for the Honourable Member in charge.

RESTRICTION OF WORKING HOURS OF RAILWAY STAFF.

1127. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that the Government have accepted the Resolution of the International Labour Conference to restrict work to 8½ hours on ordinary days and no work on Sundays?

(b) If so, has that principle been extended to Railways? If not, do Government propose to extend it? If so, when?

The Honourable Sir Alexander Muddiman: (a) No Resolution in these terms has been adopted by the International Labour Conference.

(b) Does not arise.

GRANT OF OVERTIME ALLOWANCES TO RAILWAY EMPLOYEES.

1128. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that while drivers are allowed an extra day's pay when they go out on work on Sundays and other holidays the guards are allowed no such allowance? If so, why?

(b) Do Government propose to allow an extra day's pay to all employees of the Railway when working beyond 8½ hours a day, or on Sundays and other holidays? If not, why?

The Honourable Sir Alexander Muddiman: (a) and (b). I would refer the Honourable Member to the reply given to the Honourable Mr. Joshi's question on the same subject on 17th September, last. The matter is still under consideration.

Khan Bahadur W. M. Hussanally: How long will the Government take to arrive at a decision?

The Honourable Sir Alexander Muddiman: Until the consideration is finished.

DUTIES OF JUNIOR AND SENIOR GUARDS.

1129. ***Khan Bahadur W. M. Hussanally:** Is it a fact that while junior guards are employed on local passenger service, old and senior men who by reason of age and impaired health would be entitled to light work were still kept on on goods trains? If so, why?

The Honourable Sir Alexander Muddiman: Government have no information. Matters of this sort are left to the discretion of the Agent.

PROVISION OF QUARTERS FOR RAILWAY EMPLOYEES.

1130. ***Khan Bahadur W. M. Hussanally:** (a) What class of railway employees are entitled to house accommodation?

(b) What is the accommodation each class of employee is entitled to?

(c) Are Government prepared to inquire if the accommodation offered is suitable?

The Honourable Sir Alexander Muddiman: (a) The general principle is that railway employees should be provided with quarters in places where suitable house accommodation cannot be obtained by them within a reasonable distance of their work. But there are a certain number of classes of employees whose work renders them liable to be called on duty at any time, and it has been in the past accepted as necessary that quarters should be provided by the railway for such classes in order that they can be quickly summoned when necessary. There has, however, been some lack of uniformity on different railways as to the classes which should be included in this category, and the whole policy in regard to the provision of quarters has lately been under the consideration of the Railway Board. Until a decision has been arrived at on this question of policy it is inadvisable to attempt to give an answer to the Honourable Member's question as the lack of uniformity would render it unsatisfactory.

(b) The accommodation provided for each class of employee is designed to be roughly proportionate to the rent they are liable to pay, but the accommodation provided for labourers and workmen is usually of a higher standard than the rent recoverable would justify.

(c) Government are not prepared to make the inquiry suggested which they consider can be more suitably done, and is in practice always done, by each individual railway administration to suit the different conditions of the climate in the area which is served by that railway.

RULES FOR TESTING THE EYESIGHT OF RAILWAY EMPLOYEES.

1131. ***Khan Bahadur W. M. Hussanally:** (a) What are the rules for testing the eyesight periodically of railway employees?

(b) Is it a fact that if an employee passes this test with glasses, his services are dispensed with no matter what is the length of his service?

(c) What provision is made for his support if an employee is discharged for defective eyesight?

(d) How many such men have been discharged during the last 3 years for defective eyesight?

(e) What was the length of service of each?

(f) Was any compensation paid to such men? If so, what?

(g) Why could not these men be employed on other duty where perfect eyesight was not essential?

(h) What steps have been taken to compensate such men under the Workmen's Compensation Act?

The Honourable Sir Alexander Muddiman: (a) to (h). The rules and standards naturally vary to suit the particular class of appointment and detailed arrangements in this matter are left to Agents. Government have not got the details asked for by the Honourable Member and are unable to obtain them.

Khan Bahadur W. M. Hussanally: When is it likely that the Railway Board will come to a decision?

The Honourable Sir Alexander Muddiman: I should imagine that, as soon as all the facts are before them and they have been duly considered, they will come to a decision.

SCHEME SUBMITTED BY THE ARCHITECT OF NEW DELHI FOR THE
ENCOURAGEMENT OF INDIAN ART.

1132. ***Mr. N. M. Joshi:** Will Government be pleased to state:

- (a) The precise date when the scheme for the encouragement of Indian Art was submitted by the Architect of New Delhi?
- (b) The names of the authors of the scheme?
- (c) Whether Mr. Baker was one of the architects of New Delhi who were consulted on the subject and whether he expressed his agreement with the scheme already presented to the Government by the Architect of New Delhi?
- (d) Whether the scheme was demanded by the public or by Government or whether it was undertaken by the Architect on his own initiative?

The Honourable Sir Bhupendra Nath Mitra: (a) On the 30th March 1922.

- (b) Sir Edwin Lutyens, Mr. H. Baker and Sir Hugh Keeling.
- (c) Mr. Baker signed the report with a remark that it did not embody his view of what is of immediate and essential importance.
- (d) A scheme was called for by the New Capital Committee after considering a Memorandum on a Studio by Sir Edwin Lutyens and a note by Mr. Baker on craftsmanship. The question arose in the ordinary course of business in connection with the New Capital.

SCHEME FOR THE ENCOURAGEMENT OF INDIAN ART.

1133. ***Mr. N. M. Joshi:** (a) Will the Government be pleased to state whether the scheme for the encouragement of Indian Art has been forwarded to the different provincial Governments, institutions and individuals interested for their opinion?

(b) Will Government be pleased to state whether the scheme has been made available to the public? If not, why not?

(c) Will they be further pleased to state if they are prepared to lay it on the table of this House? If not, why not?

(d) Will Government be pleased to state whether they have promised any measure of support to the scheme? If so, how much?

The Honourable Sir Bhupendra Nath Mitra: (a) The answer is in the negative.

(b), (c) and (d). The scheme has not yet been considered by Government nor has any financial support been promised. I propose to discuss the scheme with the Standing Advisory Committee attached to the Department of Industries and Labour and I cannot make any pronouncement on the action that will be taken after that Committee have been consulted.

PROPOSALS MADE AT THE CONFERENCE ON INDIAN ART AT WEMBLEY.

1134. ***Mr. N. M. Joshi:** Will Government be pleased to state whether the India Society in London has approached the Government of India for the support of the proposals made at the Conference on Indian Art at Wembley?

The Honourable Sir Bhupendra Nath Mitra: The answer is in the negative.

MURAL PAINTINGS IN THE COUNCIL HALLS OF NEW DELHI.

1135. ***Mr. N. M. Joshi:** Will Government be pleased to state whether they have arrived at any definite decision in regard to the mural paintings to be executed in the Council Halls of New Delhi? If so, what is it? If not, when will they come to a decision?

The Honourable Sir Bhupendra Nath Mitra: No decision has yet been arrived at, and I am unable to prophesy when a decision will be reached.

ESTABLISHMENT IN LONDON OF A CENTRAL INSTITUTE OF INDIAN ART AND ANTIQUITIES.

1136. ***Mr. N. M. Joshi:** Will Government be pleased to state whether their attention has been drawn to the proposal for a Central Institute in London of Indian Art and Antiquities? If so, will they be further pleased to state whether they have promised any support to that idea?

The Honourable Sir Bhupendra Nath Mitra: The answer to the first part is in the negative; the second part does not arise.

EXTENSION OF GOVERNMENT PATRONAGE TO THE "INDIAN BRADSHAW".

1137. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state whether it is a fact that the "Indian Bradshaw" dealing with railway matters is issued under the patronage of the Government of India? If so, what kind of patronage, and to what extent, does that publication get from the Government?

(b) Will Government be pleased to state if their attention has been drawn to the fact that the "Indian Bradshaw" gave misleading information about railway fares, etc., in its issue of December 1924? If so, and if the answer to the earlier portion of part (a) be in the affirmative, have they taken any steps against those responsible for the publication of that issue for giving misleading information to the public? If so, what are those steps? If not, why not?

(c) Will Government be pleased to state whether their attention has been drawn to the fact that the said "Indian Bradshaw" is often very badly printed and that its printed matter is in many places unintelligible? If so, and if the answer to the earlier portion of part (a) be in the affirmative, will they direct the publishers of the "Indian Bradshaw" to make it more useful to those for whom it is intended? If not, why not?

The Honourable Sir Alexander Muddiman: (a) The only patronage extended to the publication in question is that a certain number of copies are purchased for Secretariat use.

(b) and (c). Do not arise.

NUMBER OF RUNNERS AND VILLAGE POSTMEN KILLED AND INJURED ON DUTY FROM 1914-15 TO 1923-24.

1138. ***Mr. N. M. Joshi:** With reference to the supplementary question asked by me to question No. 498 which was replied to on the 30th January 1925, will Government be pleased to place on the table the statistics referred to by them in that question? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: I place on the table a statement showing, for each of the last ten years, the numbers of runners and village postmen killed and injured on duty, together with the total numbers employed in these years.

Statistics showing the number of runners and village postmen killed and injured on duty from 1914-15 to 1923-24.

Year.	RUNNERS.			VILLAGE POSTMEN.		
	Total number employed.	Number killed.	Number injured.	Total number employed.	Number killed.	Number injured.
1914-15 . . .	17,030	1	...	8,213	2	...
1915-16 . . .	16,926	6	1	8,225	1	...
1916-17 . . .	17,031	2	...	8,223	...	...
1917-18 . . .	16,844	4	..	8,289	1	...
1918-19 . . .	16,441	6	...	8,295	...	...
1919-20 . . .	16,898	3	...	8,354	...	...
1920-21 . . .	16,657	3	1	8,404	...	1
1921-22 . . .	16,740	4	8	8,527	...	2
1922-23 . . .	16,339	2	4	8,536	...	3
1923-24 . . .	16,094	4	2	8,478	...	...

RENEWAL OF THE RECOGNITION OF THE OUDH AND ROHILKHAND RAILWAY UNION.

1139. ***Mr. N. M. Joshi:** With reference to the reply contained in part (c) to the question No. 358 which was answered on the 28th January, will Government be pleased to lay on the table the conditions laid down by the Agent of the Oudh and Rohilkhand Railway under which he was prepared to recommend to the Railway Board that the recognition of the Oudh and Rohilkhand Railway Union should be renewed? If not, why not?

The Honourable Sir Alexander Muddiman: As already stated the conditions referred to were only mentioned by the Agent to the staff who took no action thereon. In the circumstances Government see no reason to furnish the information asked for.

SCHOOLS PROVIDED BY THE MADRAS AND SOUTHERN MAHRATTA RAILWAY FOR THE CHILDREN OF THEIR EUROPEAN AND INDIAN EMPLOYEES.

1140. ***Mr. N. M. Joshi:** (a) With reference to the statement laid on the table on the 30th January 1924 in reply to my question No. 490 to the effect that there are 18 and 5 schools for (i) European and Anglo-Indian children and (ii) Indian children, respectively, provided by the Madras and Southern Mahratta Railway Company and that there are 817 European and Anglo-Indian students and 808 Indian students taking

advantage of their respective schools, will Government be pleased to state whether they are prepared to recommend to the said Railway Company to increase the number of schools for Indian students? If not, why not?

(b) Will they be further pleased to state the amounts which the Madras and Southern Mahratta Railway Company spends upon the 18 European and Anglo-Indian schools and the 5 Indian schools?

The Honourable Sir Alexander Muddiman: (a) Government will send the Honourable Member's question to the Agent, Madras and Southern Mahratta Railway, for such action as he may consider necessary.

(b) The expenditure during 1923-24 on the 18 schools for Europeans and Anglo-Indians was Rs. 49,737 and on the 5 schools for Indians Rs. 14,434.

SAVINGS EFFECTED BY THE OUDH AND ROHILKHAND RAILWAY BY THE REDUCTION OF INDIAN GUARDS TO THE RANK OF BRAKESMEN.

1141. ***Mr. N. M. Joshi:** (a) With reference to the replies given to my questions Nos. 726 and 727 which were answered on the 3rd February 1925, will Government be pleased to explain how the Oudh and Rohilkhand Railway Company could in 1922 appoint 4 European, 2 Anglo-Indian and 17 Indian *new* guards and in 1923 9 Indian *new* guards when "on account of retrenchment" the same Company was obliged in 1922 to reduce 18 Indian guards and 13 Indian guards in 1923 to the rank of brakesmen?

(b) Will they be further pleased to state how much saving could the said Railway Company effect by the reduction of Indian guards in 1922 and 1923 to the rank of brakesmen and what was the total amounts of salaries of the new guards appointed in the same years?

The Honourable Sir Alexander Muddiman: (a) and (b). Government have not got any further information and cannot undertake to inquire.

PAY OF THE SHROFFING STAFF IN CURRENCY OFFICES.

†1142. ***Mr. N. M. Joshi:** With reference to the reply contained in part (b) to my question No. 738 which was answered on the 3rd February 1925, will Government be pleased to state the scales of pay of the Shroffing Staff of the Currency Offices in 1921 and the scales of pay of the same staff in 1922 after they were increased in that year?

REVISION OF THE PAY OF THE LOWER CLASS SERVANTS IN CURRENCY OFFICES.

†1143. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state whether it is a fact that the minimum pay of the lower class servants in the Currency Offices, called the "menials", is only Rs. 10 and their maximum pay Rs. 14 only? If so, in how many years do they get their maximum pay? If not, what are the correct scales of pay?

(b) Will Government be pleased to state when these scales of pay referred to in the above questions were fixed and whether they have ever been revised? If so, when? If not, why not?

(c) Will Government be pleased to state whether it is a fact that these lower class servants in the Currency Offices get some allowance in addition to their pay? If so, how much allowance do they get?

†For answer to this question, see below question No. 1144.

(d) If the answer to parts (a) and (c) be in the affirmative, will Government be pleased to explain why instead of giving an increase in their scales of pay they have adopted the system of giving allowances? Will they consider the feasibility of converting these allowances into their actual pay? If not, why not?

(e) If the reply to the second part of (d) be in the negative, will Government undertake to revise the scales of pay of these servants and increase them in proportion to the rise in prices in recent years? If not, why not?

REVISION OF THE PAY OF RECORD SUPPLIERS IN CURRENCY OFFICES.

1144. ***Mr. N. M. Joshi**: Will Government be pleased to state whether it is a fact that the Record Suppliers in the Currency Offices get only Rs. 15 per month? If so, will they take immediate steps to revise their salaries and increase them in proportion to the rise in prices in recent years? If not, why not?

The Honourable Sir Basil Blackett: With the Honourable Member's permission, Sir, I propose to answer questions Nos. 1142 to 1144 together. Inquiries are being made and final replies to these questions will be given to the Honourable Member as soon as possible.

Mr. Devaki Prasad Sinha: I want to ask a supplementary question with reference to question No. 1143, Sir. Do Government propose to change the terminology of the Department according to which certain classes of officers are described as "menials"?

The Honourable Sir Basil Blackett: I should be happy to listen to any suggestions from the Honourable Member.

INTRODUCTION OF FREE AND COMPULSORY PRIMARY EDUCATION IN TERRITORIES UNDER THE CONTROL OF THE GOVERNMENT OF INDIA.

1145. ***Mr. N. M. Joshi**: Will Government be pleased to state whether they have taken any steps or propose to take shortly in the direction of making primary education free and compulsory in those territories which are directly under the control of the Government of India? If so, what are those steps? If not, why do they not propose to do so?

Mr. J. W. Bhore: Primary education is free in the largest province directly under the control of the Government of India, namely, the North West Frontier Province. It is also free in municipal and certain other primary schools of Delhi. The Primary Education Act of the Punjab, authorising the introduction of free and compulsory education by local option, was, in January of this year, extended to the Province of Delhi and the question of making a beginning with compulsory education here during the year 1925-26 is under consideration.

Nawab Sir Sahibzada Abdul Qaiyum: Do the Government know that the classes in the primary schools of the North West Frontier Province have been reduced from 5 to 4 and that tuition fees have been raised, in the Middle Department, which affects the education very much?

Mr. J. W. Bhore: Yes, Sir, I am aware of the fact of reduction but unfortunately the reduction was the result of the recommendations of the Incheape Committee, which we were bound to accept.

Mr. N. M. Joshi: May I ask, Sir, why the Government of India do not want to consider the introduction of compulsory education in the other territories managed by them except Delhi?

Mr. J. W. Bhore: I am afraid, Sir, that I cannot satisfy the Honourable Member at this stage by giving him further information on this matter. I am sure he will realise from the action we have already taken in regard to Delhi that this subject is sure of receiving our most careful and sympathetic attention. I hope it may be possible to make some further move at no very distant date, but I can say nothing definite as to this.

CANCELLATION OF THE CONTRACT WITH MESSRS. SHAMER CHAND AND BROS., FOR HINDU CATERING ON THE EASTERN BENGAL RAILWAY.

1146. ***Lala Duni Chand:** (a) Are the Government aware that Col. H. A. Cameron, lately Agent, Eastern Bengal Railway, had given a contract for Hindu vending and catering in general on the Eastern Bengal Railway to Messrs. Shamer Chand & Bros., contractors of Messrs. Incha Ram & Co., army bankers and contractors of Ambala for two years commencing from 1st April, 1924?

(b) Is it a fact that Col. Hearn the present Agent, Eastern Bengal Railway, successor of Col. Cameron has admittedly without any fault or breach of any of the terms of contract on their part, cancelled the contract from 1st January, 1925?

(c) Is it a fact that the said firm repeatedly requested Col. Hearn for an interview being granted to them in order to enable them to place their case before him and failing in this attempt submitted a representation to him on 7th November, 1924, which he rejected without informing them of any reasons for the rejection?

(d) Is it a fact that the said contract was given to the above firm in consideration, among others, of the heavy loss of several lakhs sustained by the firm in the Great War owing to the casualties in their debtor military officers?

(e) Are the Government aware that the contract extended to 20 railway stations of the Eastern Bengal Railway and the contractors had made necessary arrangements to carry on the contract on all the stations and had invested considerable sums of money in furniture, etc., and that the cancellation of the contract 15 months before the date of expiry will cause serious loss to them?

(f) Is it a fact that the above firm had greatly improved the vending and catering arrangements on the Eastern Bengal Railway, which were in a very unsatisfactory condition before they took up this business?

The Honourable Sir Alexander Muddiman: (a) The answer is in the affirmative.

(b) Government understand that the Agent, Eastern Bengal Railway, gave Messrs. Shamer Chand & Bros., notice of the termination of their contract in accordance with the terms of their agreement.

(c) Government have no information.

(d) Not so far as Government are aware.

(e) Government presume that the contractors were fully aware of the provisions of their agreement when they entered into it and that it was liable to termination at given notice.

(f) Government have no information. In this connection the Honourable Member's attention is invited to question No. 1463 asked in this Assembly on 11th June 1924.

CANCELLATION OF THE CONTRACT WITH MESSRS. SHAMER CHAND AND BROS. FOR HINDU CATERING ON THE EASTERN BENGAL RAILWAY.

1147. ***Lala Duni Chand:** (a) Will the Government be pleased to give the reasons why Col. Hearn has thought it fit to cancel the contract of his predecessor without the contractors being guilty of any default or breach of contract?

(b) Are the Government aware that a representation by the above contractors is pending before the Railway Board on the above matter and will the Government be pleased to draw the attention of the Railway Board to the facts as stated above?

The Honourable Sir Alexander Muddiman: (a) Government understand that the Agent considered it was preferable in the interests of the travelling public that vending contracts at the stations in question should be given to local men instead of being leased to one party.

(b) The answer is in the affirmative.

LIABILITIES OF THE ARMY CANTEN BOARD (INDIA)..

†1148. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that the Army Canteen Board owes a very large amount of money to dealers in the market for goods supplied to them?

(b) If so, what is the total amount due?

(c) What is the amount due at each station in India?

LIQUIDATION OF THE DEBTS OF THE ARMY CANTEN BOARD (INDIA).

†1149. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that the Army Canteen Board has not been able to liquidate these amounts?

(b) If so, for how long?

(c) When will they be able to pay off their debts?

(d) Will they pay with or without interest?

(e) Are Government liable to pay their debts in case the Army Canteen Board fail?

FINANCIAL POSITION OF THE ARMY CANTEN BOARD (INDIA)

1150. ***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that in the contract note issued by the Army Canteen Board at the start there used to be a specific promise to pay the value of the goods ordered within a particular time?

†For answer to this question, see below question No. 1150.

(b) If so, why has that promise not been kept up?

(c) Is it a fact that more recently this clause has been deleted from the contract note? If so, why?

(d) Will Government make a full statement as to the financial position of the Board and their liability for the Board's debts?

Mr. E. Burdon: With your permission, Sir, I propose to answer questions Nos. 1148, 1149 and 1150 together; and in the first place I wish to invite the attention of the Honourable Member to the reply given to unstarred question No. 119 put by Raja Ghazanfar Ali Khan and answered on the 9th February last. In this reply, I said that, owing to a largely increased turnover and shortage of capital, the Army Canteen Board have at present to trade upon credit terms to a larger extent than is desirable. The Government of India have since examined the matter in detail, and have satisfied themselves that the liquid capital available to the Army Canteen Board is not sufficient to enable them to finance the extended range of business which they have been required by Government to undertake. I am referring here to the expansion of the Army Canteen Board's activities over the Lahore District. Out of the total working capital, only some 6 lakhs are free to finance a monthly turnover of 7 lakhs; the remainder of the capital being locked up in various ways as can be seen from the audited balance sheet. The Government of India have accordingly decided, with the sanction of the Secretary of State, to increase the Government guarantee of capital by Rs. 5 lakhs, up to a total sum of Rs. 25 lakhs. The Government of India trust that, with this addition to the working capital and with the increased receipts from new business in the Lahore District, the Army Canteen Board will no longer find it necessary to trade upon terms of credit extended beyond the usual commercial practice. I note, in this connexion, that, as I have stated before in this House, the audited balance sheet for the last trading year of the Army Canteen Board shows that the undertaking is a profit-making concern, and the information available to me shows that since the end of the last trading year, a profit has continued to be made, and on a larger scale than the profits of the previous year. I note, further, that, as previously stated, the guarantee of Government has never yet been invoked and there is no probability that the increase to the guarantee recently sanctioned will involve any charge upon the tax-payer.

My Honourable friend has asked what would happen to the creditors of the Army Canteen Board if the Board were to fail. In reply to this, I can only say that, since according to the last audited balance sheet the Board is making a profit and since within the limits of the area prescribed and apart from the officers' shops it has a practical monopoly of business guaranteed by Government, there is, so far as I can see, no possibility of the contingency of failure arising. But if for any reason which we do not anticipate at present it were decided that the enterprise should not be continued, Government would make it their business to see that the operations of the Board were brought to an end in such a way as to prevent, so far as possible, any loss being suffered either by the creditors of the Board or by the general tax-payer.

If the Honourable Member finds that I have not replied specifically to some of the points raised in his questions, the reason will be found in the reply which I gave to starred question No. 985 answered on the 23rd February last where I said that the Government of India are prepared to give and have given the general public a great deal of information regarding the

Army Canteen Board (India) but they consider that the Board must be allowed to preserve the same secrecy as a private business firm would in regard to the details of its trading transactions. The Honourable Member will appreciate that I have met his concluding request by making a statement as to the financial position of the Board. I am arranging to furnish the Honourable Member separately with a copy of the last audited balance sheet.

STATEMENT LAID ON THE TABLE.

STATISTICS OF INLAND POST BOOK PACKETS.

The Honourable Sir Bhupendra Nath Mitra (Industries Member): Sir, I beg to lay on the table certain statistics of Inland Post book packets, promised on the 23rd February, 1925, in reply to Sir Purshotamdas Thakurdas's supplementary questions on his starred question No. 977.

Statistics of Inland Post book packets, referred to in the reply given by the Honourable Sir Bhupendra Nath Mitra on the 23rd February, 1925, to Sir Purshotamdas Thakurdas's supplementary questions on his starred question No. 977—

Year.					Estimated number of book packets posted.
1914-15	...	...	...	...	50,919,966
1917-18	...	...	...	...	41,134,192
1920-21	...	...	...	...	54,777,311
1922-23	...	...	...	...	58,284,568

MESSAGES FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform the Legislative Assembly that the following motion was carried in the Council of State at their meeting on the 4th March, 1925, and to request the concurrence of the Legislative Assembly in the recommendation contained therein namely :

'That this Council do recommend to the Legislative Assembly that the Bill to amend the Succession Certificate Act, 1889, be referred to a Joint Committee of this Council and of the Legislative Assembly, and that the Joint Committee do consist of 12 Members.'"

The following further Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Bill to amend the Prisons Act, 1894, which was passed by the Legislative Assembly at its meeting held on the 24th February, 1925, was passed by the Council of State at its meeting of the 4th March, 1925, with the following amendment :

In sub-clause (d) of clause 2 of the Bill, after the word 'and' the following words were added :

'the words 'as defined in clause (11)' shall be omitted; and'

2. The Council of State requests the concurrence of the Legislative Assembly in the amendment."

Sir, I lay on the table the Bill as amended by the Council of State.

THE GENERAL BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Expenditure from Revenue.

DEMAND No. 16.—CUSTOMS.

Mr. President: The Assembly will now proceed to the consideration of Part II of the Budget—Demands for Grants.

The question is :

“ That a sum not exceeding Rs. 71,66,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘ Customs ’.”

REDUCTION OF EXPENDITURE BY CO-ORDINATION OF THE STAFFS OF THE CUSTOMS, INCOME-TAX, OPIUM AND SALT DEPARTMENTS.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, the motion standing in my name runs as follows :—

“ That the Demand under the head ‘ Customs ’ be reduced by Rs. 100.”

My object in moving it is to place before the Government my view that in respect of particular heads which have been now taken over by the Government of India for administration through the Central Board of Revenue steps should be taken to see that the expenditure incurred on these departments is reduced. I have been for some time having a Resolution admitted against my name recommending that the expenditure in the three Departments—Customs, Salt and Income-tax,—should by reorganisation be reduced so that the total cost to the Government may become less. I have placed that Resolution before the Government for consideration for more than a year, but for some reason or other that could not be taken up in this House. When last time I had the good fortune to have a ballot in my name, I had to take up the question of the Taxation Inquiry Committee. I take this opportunity of placing my views before the Government so that immediate attention may be paid to it, especially as the circumstances are now more propitious than they were ever before. We have got the Central Board of Revenue organised, and practically all the Departments that I have referred to have been brought under its control. Therefore, this is just the time for the whole matter being considered in a proper manner.

Sir, I had not the opportunity of placing before the Honourable the Finance Member and the Assembly my views on this Budget during the general discussion. This is not the time to review the whole Budget. I will do it later when the Finance Bill comes up before us for consideration. I am of opinion that while the Honourable the Finance Member has got a grip on the whole situation he is himself not quite sympathetic to the recommendations of the Retrenchment Committee. I know, if he wills it, he can reduce the expenditure of the Government of India in all their Departments to a greater extent than what the Retrenchment Committee have recommended, but, as I have said before, he has not been quite sympathetic to those recommendations. On the other hand, the poor taxpayer deserves a better treatment at the hands of the Honourable the

Finance Member and a greater reduction in expenditure. The Retrenchment Committee have recommended a reduction in expenditure of about Rs. 19½ crores, and we have not given effect to more than Rs. 10½ crores within these three years including the Budget for the next year. My impression is that that is absolutely not satisfactory, and as I have said before, I shall deal with that matter later. The language used by the Retrenchment Committee as regards their recommendations under each head shows that while they were not willing to go as far as they would have liked they only placed before the Government such cuts as they thought were absolutely essential in the interests of the country and ought to be carried out at the earliest possible date. So far as the Department that I am now referring to is concerned, I mean the Customs Department, the Retrenchment Committee only suggested a reduction of about Rs. 47,000 in the pay of the Commissioner in Bombay and said that the rest of it need not be retrenched at that stage. But they observed that they would not be content to leave it at that and though they said that as the Department was expected to earn, they would not reduce expenditure, they were not willing that it should be left without being considered by the Government of India and the expenditure retrenched if possible. Where are we now? That is the question. Since the date of their recommendation we have added to the expenditure by more than Rs. 12 lakhs. The proposal is to put expenditure up at full Rs. 12 lakhs more by the end of next year, adding Rs. 4 lakhs to the expenditure incurred or expected to be incurred in the current year. The revised figures for this current year are put at Rs. 67 lakhs and they expect to put the expenditure for next year at Rs. 71 lakhs. It will be seen that in the Income-tax Department also they have similarly added to the expenditure of the current year by more than Rs. 10 lakhs. In the Salt Department also it is expected to spend more next year than this year. My present object is only to suggest to Government that steps may be taken to see that expenditure in all these Departments is combined wherever possible so that the total may show a considerably reduced figure. In all the three Departments the expenditure now comes to about Rs. 2½ crores, or very nearly Rs. 3 crores. I submit that the whole establishment in the various provinces is under the control of the Central Board of Revenue and there is no reason to keep the establishment in every place separately for each Department so that the total may come to Rs. 3 crores. As far as I have been able to analyse the budget in Great Britain, I find that the expenditure on the collection of customs and excise duties and income-tax is not of the proportion that you have here. I have got statistics as far as 1919 at the latest, but I have satisfied myself from the budget debates of last year that there is no addition to the expenditure column under these heads, though there is an increase in revenue, which is about £600,000,000 for income-tax and super-tax. In the case of excise and customs the income is about £400,000,000 with an expenditure of only £5,000,000. I find that proportionately the expenditure under these heads is much more here than what it is in Great Britain. My submission is that by carefully analysing the number of superior officers entertained by the Central Board of Revenue in each province for the three Departments and combining them it should be possible to show a saving of Rs. 1 crore. You are now spending about Rs. 2½ crores. By the method I suggest you ought to be able to reduce the total expenditure of the three Departments to Rs. 1½ crores. Again in the Presidency town of Madras you have got under Customs one Collector, 2 Assistant Collectors, 6 Appraisers as they are called and 265 clerks,

[Mr. K. Rama Aiyangar.]

altogether costing in establishment salaries alone about Rs. 3½ lakhs. In the same Presidency town you have got for Income-tax one Commissioner, *plus* one *plus* eight *plus* two officers, as also 89 income-tax assistants as they are called, costing in salaries alone Rs. 1·31 lakhs, and you have got also travelling and other allowances for those officers which come to a considerable figure. Similarly, in the case of Salt we have got amongst officers 17, paid 1·23 lakhs and 237 assistant inspectors and 161 superintendents, etc., the cost being 8·25 lakhs.

Mr. A. H. Lloyd: Are these all in Madras town?

Mr. K. Rama Aiyangar: I am only taking an instance. Take the Presidency towns one by one. In fact near Madras and in Tuticorin and other places you have salt pans. There are places which can be so combined that the superior officers could within the range of their duties do both works. That is the suggestion I make. I have no doubt that when it is looked into and worked up it should be possible to save considerable amounts. Then again in the case of Madras we find an expenditure of about 8 lakhs on the establishment in the case of district centres. We find about 8 lakhs on the higher establishment in the mofussil. I do not say that in every place the customs collections and the salt collections could be tacked on but there may be some places in which the work could be so arranged as to avoid repetition of higher officers or inspectors, or appraisers. For example, the Government of Madras had Salt and Abkari combined. You have been doing it till now in the Government of India. The salt duty was collected by the abkari staff in the provinces and a share was taken and it is now found that we have to pay considerably more. Income-tax work was combined before and in this case they should be able to make considerable reductions. Similarly, in Bombay I find that in the Presidency Division the expenditure on superior officers is 1·48 lakhs and ordinary supervising staff about 12·82 lakhs.

Mr. President: If the Honourable Member wishes to raise the question of the co-ordination of these three departments, the discussion will more properly come under the vote for the Central Board of Revenue. It is not in order under Customs. The Central Board of Revenue has a separate vote of its own and that is the body concerned with the co-ordination of all the tax-collecting agencies in India under the Central Government.

Mr. K. Rama Aiyangar: That has been only recently put in in the Demands. If that is your ruling, Sir, I have no objection to discuss the point on another occasion. My point was that in considering the reduction all these heads have to be taken into consideration. However, I am perfectly amenable to the suggestion you have made.

Mr. President: If the question relates to the co-ordination of the tax-collecting agencies in India it must be raised under the Central Board of Revenue. This demand affords an opportunity to criticise the administration of the customs collections.

Mr. K. Rama Aiyangar: Certainly I will take it at that, though for this question the other matters are relevant. Similarly, the district staff. There is the Sind customs where again the expenditure under the other departments might be combined. In the case of the United Provinces there is scope for bringing the opium staff also under Customs and there will be

considerable reduction in expenditure. As regards Bengal and Burma the scope is considerable to reduce expenditure under Customs by combining. I propose therefore that there should be reorganisation of this Department so that there may be considerable reduction and I wish that Government should take note of this. In the Finance Committee I raised this matter. The Honourable the Finance Member gave a sympathetic hearing and he said that this matter will be looked into. I have raised this so that the whole matter may be considered fully.

The Honourable Sir Basil Blackett (Finance Member): I am in some difficulty in replying to this motion for the whole of the Honourable Member's speech has been devoted to the question of effecting a reduction in the cost not only of Customs but also in the Income-tax, Opium, and Salt Departments, by some sort of co-ordination of the staff. I hope therefore that in view of your ruling the Honourable Member will be willing to withdraw this motion and bring the matter up again on the vote for the Central Board of Revenue. I may tell him at once that this is a matter to which the Finance Department and the Central Board of Revenue have been giving their attention from the moment that the Central Board of Revenue was amalgamated. In some directions amalgamation has been made but I think that he is mistaken in his view that it is possible to go very far in that direction. Your income-tax officer cannot be also your salt officer or opium officer. Your customs officer requires different training and his work is different and his place of work is frequently different. I cannot continue this debate, I am afraid, without going beyond the limits of your ruling. I must ask the Honourable Member to leave the matter for the moment at that.

Mr. K. Rama Aiyangar: I will withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Mr. President: Motion No. 3 standing in Mr. Neogy's name appears to come under Demand No. 72, which relates to the subject of "Refunds".

ABOLITION OF THE COTTON EXCISE DUTY.

Mr. Kasturbhai Lalbhai (Ahmedabad Millowners' Association: Indian Commerce): I beg to move the motion that stands in my name that the Demand for Grant under "Customs" be reduced by Rs. 77,000. I would remind Honourable Members

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban): May I ask, Sir, if you are going by the amount of the out. If that is so, my motion is for a cut of Rs. 79,300. Will my motion be taken along with this? It relates to the same matter, item No. 7.

Mr. President: I took Mr. Rama Aiyangar's motion to reorganise so as to reduce cost, because it offers a general opportunity for the criticism of the administration of the Department. That apparently was not his purpose and therefore the debate failed. I then called on Mr. Kasturbhai Lalbhai, because his motion gives a definite indication of the proposal to raise the question of the cotton excise. There was no indication in the reductions Nos. 4, 5, 6 and 7 as to what the intention was there.

Pandit Motilal Nehru: May I now inform you and the House that it refers to the same matter as Mr. Kasturbhai's, namely, cotton excise.

Mr. President: Then the Honourable Member can proceed with it after Mr. Kasturbhai.

Mr. Kasturbhai Lalbhai: I would remind Honourable Members that this motion is only a logical corollary of the decision arrived at by this House after mature deliberation at Simla in September last. For we have all, I mean on this side of the House as well as the Government Members, had our full say on the subject, and I do not propose to argue at any great length the pros and cons once again. Thirty years ago when this unjust levy was enforced at the behest of Lancashire, the position was different from what it is to-day. Not only did the public support the commercial community but the Government of India were with them in opposing this levy. Since then till the year 1923 no responsible officer of the Crown has ever attempted to defend it. But the cat was out of the bag when during the discussions over my Resolution in September last Sir Charles Innes said:

"The proper thing to do is not to take off the cotton excise duty but also to reduce the import duties"

which means that the abolition of the cotton excise duty goes hand in hand with the reduction or abolition of import duties. That is to say, the pledge of Lord Hardinge and the findings of the Fiscal Commission must go as chaff before the winds and the Indian cotton mill industry must take its chance with imported cotton piece goods from Japan and elsewhere in respect of reduction of duty. Honourable Members are aware of the position of the Indian cotton mill industry during the last two years and over. It is a patent fact proved before the Chief Justice of Bombay that the losses of the Bombay mills alone for the year 1923 amounted to 117 lakhs of rupees, and yet they are paying over a crore in excise duties. I have taken some pains to find out what the position of the industry has been during the year just passed, and I learn on good authority that the losses will not be less than 150 lakhs. If the present trade continues, I do not know where the industry will be landed. When I say this, I may assure the House, that it is with no desire to exaggerate or to present purposely a dismal picture of the industry, but it is a bare statement of facts, and if I have thought fit to mention them here, it is only to apprise the House of the critical position through which the industry is passing; and not that the case for abolition depends on it entirely. I can well imagine the Finance Member taunting me with the huge profits the cotton mills made during the boom. I do not deny that the cotton industry did make handsome profits, but the profits of that period were not a peculiar feature or the monopoly of the cotton industry alone. The profits made by a particular industry in common with other industries at a certain time is no argument for penalizing the industry for all time to come. Our imports of cotton manufactures went up from 68 crores in 1923 to 93 crores in 1924, an increase of 15 crores; while our total exports to all foreign countries did not exceed 10 crores of rupees. In 1924 Japan alone sent cotton manufactures to India of that value. The Honourable the Commerce Member assured us at the Simla session last year that he would watch very very carefully the competition from Japan. But what is the good of his watching, if no action is to be taken? The House will visualize the alarming nature of the strides that Japan is making in capturing the Indian market when I give them the following figures.

Mr. President: I cannot allow the Honourable Member to discuss Japanese competition on this motion.

Mr. Kasturbhai Lalbhai: Very well, Sir, I will not refer to Japanese competition. It does not matter to our Government if we have to pay import duties on our stores at 15 per cent, protective duties on iron and steel materials, higher freights on our coal, import duties on our machinery, in addition to an adverse exchange. The Government must have their pound of flesh, irrespective of the losses suffered by the industry. Sir, in no other country in the world except in Egypt and India under British rule is this policy of excising the indigenous manufacture of cloth being followed. A free Egypt did away with it only a fortnight or a month ago. But India cannot throw away the duty even with fiscal autonomy. It is up to the Government to accept and give effect to the declared wishes of the people's representatives in this respect. I feel confident that if the Assembly had any other method open to it to repeal this unjust impost, it would not have hesitated to adopt it at the earliest opportunity, and it is to be hoped that the Government Benches will not ignore the reiterated protests of this House to-day. Sir, I do not want to go on elaborating the argument in favour of my contention. Not even the stoutest champion of the Treasury Bench can deny that the imposition of this taxation was a crime against the cotton industry and a betrayal of India's interest to Manchester's clamour a generation ago. The present-day tactics of making the abolition of the cotton excise duty conditional upon the existence of financial facilities is entirely beside the point and ignores the vital issues involved. No civilized Government worth the name would have set at naught the pledge given by His Majesty's representative, Lord Hardinge, particularly in view of the fact that this is the third year of a surplus budget. Seventy-five lakhs of rupees are already there and about an equal amount can be had from the amount provided for the debt redemption fund, which is practically the amount required to wipe off these duties. If the Government Benches are using financial stringency as a cloak under which to take cover, I have nothing further to say. However, I cannot persuade myself to believe that financial considerations alone stand in the way of the Government doing away with this impost; for my Honourable friend Sir Purshotamdas Thakurdas and Diwan Bahadur Ramachandra Rao suggested in their speeches during the discussion the other day that this House will be prepared to consider any reasonable proposal which Government may make for taxing the profits of companies to make up for the loss in revenue. I hope and trust that all Honourable Members, whether European or Indian, who have the good of the country at heart will reject this grant, because it is the only means open to them under the present constitution to give expression to their emphatic determination that they shall not be a party to the continuance of this iniquitous impost. The cotton excise duty must go because politically it is a crime, economically it is an offence and administratively it is an abuse.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban): The motion that stands to my name is:

"That the Demand under the head "Customs" be reduced by Rs. 79,300."

I have in the first place to explain how I arrive at that figure. At page 5 under the head 'Cotton Excise Establishment' we have a total of Rs. 77,000 for Bombay. Then at page 8 we have similarly
 12 Noon. the cotton excise establishment for the Central Provinces totalling Rs. 2,800. The amount by which I propose that this Demand should be cut is therefore the total of these two figures, namely, Rs. 79,300. I am afraid it was my Honourable friend Mr. Kasturbhai Lalbhai's parochial

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patriotism which confined his attention to Bombay. I am interested in the total abolition of this tax and have therefore taken whatever establishment exists in any province for collecting this tax.

Now, Sir, so far as the merits of the motion are concerned, I am sure that this House, at least the non-official element in it, does not need to be convinced of the imperative necessity of adopting this motion. The reason why I sent up this motion and why I am now standing to support my friend Mr. Kasturbhai Lalbhai, is that I desire to express my admiration of the high and mighty attitude adopted on this question by the Honourable Finance Member. Here is an iniquitous tax which has disgraced this civilized administration for nearly 30 years. It is a tax on production of one of the most essential necessities of life. But in spite of the deep and continued resentment of the people, in spite of the ceaseless war waged against it by the Indian National Congress in the Press and on the platform, in spite of the fact that Prime Ministers, Secretaries of State, Governors General and even Finance Members have admitted the nefarious character of this impost, in spite of the fact, Sir, that this House very recently passed a Resolution condemning it, we find the Honourable the Finance Member absolutely unmoved. I congratulate him on this most wonderful feat. It needed all the courage that he could command to introduce a Budget which has all the appearance of a prosperity Budget without offering the least explanation why this obnoxious tax was retained. In his long speech introducing the Budget not a word was said upon that point. Then followed the general discussion on the Budget. Speaker after speaker rose in his place and condemned the tax. But all that had no effect upon the Honourable the Finance Member. He rose and made a speech in reply but did not meet the arguments advanced. Not that he did not attempt to wriggle out of many other uncomfortable positions in which he found himself; for instance, he referred to the thorny question of exchange and currency, he referred to the political loan to Persia, or was it a loan to the Anglo-Persian Oil Company (*The Honourable Sir Basil Blackett*: "No, no") to enable them to declare big dividends? My Honourable friend says, "No." Had it not that effect indirectly? There is no answer. (*The Honourable Sir Basil Blackett*: "No.") There is a belated answer—"No" (Laughter.) Well, I shall leave it at that. The Honourable Member also attempted to answer certain serious charges made by my Honourable friend, Sir Purshotamdas Thakurdas, about hiding away crores of surpluses in the darkest recesses of his Budget, and when Sir Purshotamdas Thakurdas and some other Honourable Members were ungenerous enough to interrupt him by questions, the Honourable Finance Member suddenly discovered the value of time, although, Sir, you will remember that you were pleased not to include him in the time limit imposed upon this House. Whenever an inconvenient question was put under those heads, an answer was attempted and when it failed at a certain stage, it was given up to be dealt with on some future occasion. But the excise duty never came in for a single observation (*An Honourable Member*: "Of course it did") in his reply. Well, it was just a passing reference. No attempt was made to justify the tax. At least, as far as I was able to follow my Honourable friend's speech I saw no justification of the cotton excise in it nor even a serious attempt to justify it.

Now, Sir, it is unnecessary for me to go into the history of the question. It has been discussed threadbare on the floor of this House and elsewhere. I will not detain the House by quoting the authorities I have already

referred to, namely, the Prime Ministers, Secretaries of State, and so on. But I shall act on the principle that one gentleman in office is better than ten out of office. In saying so I am merely putting a common saying in parliamentary language. I will therefore deal with such explanation as has been given on a former occasion by both the Honourable the Finance Member and the Honourable Member for Commerce. What is that explanation? I shall first refer to the speech of the Honourable Sir Charles Innes in which he says—that was in the September session at Simla:

"I say that there is no Britisher in India who does not regret that this tax was ever put on, and I say with confidence that that is the feeling of everyone of us on this side of the House. Also, Sir, I should like to say that we on this side of the House recognize that there is a natural desire on the part of Indians that the cotton excise duties ought to disappear from the face of the Statute-book. But, Sir, I must safeguard myself. I do not wish to be misunderstood. I regret very much that this tax was ever put on because I believe that the tax has done us great political harm. But I am not prepared to go further and say that I believe that this tax has seriously harmed the Bombay cotton industry."

Now, Sir, that last observation is a matter which I leave to be settled between the Honourable Sir Charles Innes and my friend, Mr. Kasturbhai Lalbhai. I am not at all concerned with what has harmed the industry or what has benefitted it. All that I am concerned with is that this obnoxious tax, which is a disgrace to the administration and a humiliation to the people of India, must go at any cost whatever happens. Then, we have the Honourable Sir Basil Blackett at the same Session. He says:

"It was, I think, a tax bad in its origin, bad in its incidence when first imposed, and, when the Taxation Committee comes to inquire into it now, I think it will very likely say that it is a tax which even now is not altogether desirable in its operation." Then, he proceeds:

"I should not be averse to being the Finance Member in whose period this historic wrong was righted."

Now, that being so, what was it that prevented my Honourable friend from righting that historic wrong? The answer is, want of funds. He says that there is no hope this year, and goes on:

"There is no hope next year, or the year after next, or the year after that that we shall be in a position both to get rid of the cotton excise duty and to give up the provincial contributions . . . We are not in a position to-day to consider on its merits whether it is the first tax that in the interests of the people of India ought to be got rid of, or whether it is desirable to get rid of it and put another tax in its place. We are not in possession of the facts, nor would it be in order to discuss that sort of question in full here. We are asked therefore on political considerations to tie ourselves to a point of view which it is impossible for us to discuss fully and which I do urge this House to consider may not be in the interests of the people of India as a whole."

So that it comes to this, that both the Honourable the Finance Member and the Honourable the Member for Commerce expressed very noble sentiments and entirely agreed with all that had been said by their predecessors as well as other high functionaries and the public, but they said there was a difficulty which could not be overcome, and that was that they did not know which of the two things, namely, provincial contributions or this tax, must go first. Now, Sir, I do not for a moment mean to be understood to say that I desire the omission of the reductions which have already been made in provincial contributions; on the contrary, I say that these contributions too must wholly disappear at the earliest possible moment. But it does not follow that because there are two wrongs, therefore we must partially right one and leave the other entirely alone. It comes to this, that the tax is a bad one, it is bad in its inception, bad in application, bad in incidence, bad altogether. But we cannot remove it because we are short of funds. May I, Sir, suggest a revival of the slave trade and making it a commercial concern, just like the

[Pandit Motilal Nehru.]

Railways? That would bring much more money than this tax can. What have we got to do with the history of the shortage of funds in the past? As I have said on the present occasion that question does not arise. We have the hidden away crores. We do not know where they are.

The Honourable Sir Basil Blackett (Finance Member): Nor do I.

Pandit Motilal Nehru: My friend does not know and I can understand the reason why. It is because he is so constantly in the habit of hiding it away that he has forgotten where he put it on each occasion. The whole point is whether this House will submit to be flouted in the manner it has been, whether this House will be a party to a continuance of this policy of the Government which sets public opinion at naught and treats with contempt the considered opinions and Resolutions of this House. I stand here, Sir, in order to press the total abolition of the excise duty on no other consideration than this. I ask the House, at least the non-official Members, each and every one of them, to dismiss every other consideration from their minds and to vote for this motion on the sole ground I have taken, namely, the highly objectionable nature of this tax and connected with it the treatment which this House and public opinion has received at the hands of the Government. I would ask even those who on the last occasion during the September Session of this House voted against the Cotton Excise Resolution to vote in favour of this motion. The reason why I ask them to do so is that however much any Honourable Member may be against any particular proposition which is put before the House, when that proposition is once passed by the House, it is as much a point of honour, a point of self-respect, for him who voted against it as for those who voted for it to enforce the decision of the House. It is on that point that I rest my case to-day. I may at once say that if my friend cannot find the crores that are lying about here and there, let him tax the incomes of these very mill-owners as much as he pleases and I can give him my promise that, if it is a reasonable tax, he will have the heartiest support of myself and my party. Let him do anything which is reasonably called for under the circumstances to allow of the abolition of this duty and we shall be satisfied, but I would not for a moment let it be understood that I mean any alteration in the position which provinces have taken and have been taking for some time past in the matter of their contributions to the Central Government. Nor do I mean to say that fresh taxation should be such as would kill the industry. My friend Mr. Kasturbhai Lalbhai, has given rather a sad account of the prospects of the industry. I have no materials, Sir, nor have I the necessary facts before me either to support or to contradict him, but if he is right then certainly no measure taken by the Government which will kill the industry will have any assistance from us. Within reasonable bounds tax the rich man as much as you can and we shall always be found standing by you. But when the poor man is taxed or it becomes a question of the honour of the country, the honour of this House, you shall find no support from us.

Sir Campbell Rhodes (Bengal: European): Sir, I had not the privilege and pleasure of being in the House last September when this subject was exhaustively discussed, but I have read that debate with very great interest and I confess that I am very pleased that that debate no longer took what I may call a racial line. I read with great interest the support given to the abolition of the excise duty by my friend and colleague Mr. Cocke from Bombay and I hope that I shall be able to induce him

to rise to his feet to answer me when I have finished. I was also interested when my Honourable friend Mr. Willson the other day showed me a telegram from a European Chamber of Commerce in which he was asked to use his influence with me to get me to support the motion before the House. Mr. Willson has done his best. In moving this motion Mr. Kasturbhai Lalbhai half-heartedly, because after all he is a business man, and the Honourable Pandit wholeheartedly have chosen the battle ground of the political arena. He bases his claim entirely on the history of this tax. Now, Sir, on the history of this tax there are no two opinions, I think, in this House. I suggest that that chapter in the Fiscal Commission's report, which I shall always be proud to have assisted to have written, is probably, if I may say so with due modesty, the finest condemnation of this tax, because it is based on historical events and does not spoil the case by using unduly extreme language. But, Sir, by choosing the political battle field my Honourable friends cannot get away from the economic effects of this motion. That they want to do so, I can quite understand after that extraordinarily able exposition of the whole subject by Sir Charles Innes in the September session. But those economic results remain. May I quote from a distinguished Member of this House, Diwan Bahadur Ramachandra Rao. He says:

"Sir, so far as I am concerned, I represent a constituency of agriculturists who are interested in seeing that their wants are supplied with as little cost to them as possible. Therefore from that standpoint I am convinced that a remission of this duty will not necessarily be followed by a reduction in the prices of cloth, and therefore to that extent I am in agreement with the conclusion of my Honourable friend, Sir Charles Innes, that, unless the present duty on imported cloth is reduced, the prices of cloth in this country will not be brought down."

Then he goes on to say:

"Sir, after expressing my agreement with that conclusion, I am still of opinion that the political aspect of this question cannot be ignored."

I think, therefore, that the Honourable Mover would have been on stronger grounds if he had proposed a corresponding reduction in the import duty, but that, of course, lies within his own discretion. I submit, Sir, that the political issue is a dead one; and, when the duty ceased to be countervailing then it became purely an economic issue. But in one respect I will join hands with the Honourable Pandit in my appeal to Government. This is either a political issue or it is an issue which lies within the competence of this House and, therefore, I am at one with him in asking the Government to give effect to our wishes, whatever those wishes are. The fact that I myself will not be able to support this motion does not affect my view that, if it is carried, Government should at once give due consideration to the views of the House. (Hear, hear.) The only point that I do want to make is that the House should thoroughly understand what they are doing. Sir Purshotamdas Thakurdas in speaking on this subject in the September session went against the argument I have just used, namely, that since the import duties were raised to 11 per cent. this has ceased to have any political issue whatever and has become a purely economic one. I would like to read his words:

"The Honourable Member wound up, or very nearly wound up, his case by saying that when the Honourable the Finance Member is able to spare the money, he will put the subject before the House to decide whether they want the excise duty off or provincial contributions off. What connection, Sir, is there between the two? And may I ask if the House is prepared even to tolerate the idea of touching this tainted money of cotton excise duty? It is tainted money—tainted without the least doubt—in spite of the Honourable the Commerce Member laughing it out, money which comes from the dishonour of the people of India."

[Sir Campbell Rhodes.]

Those words, Sir, have been repeated to-day by my Honourable friend the Pandit, the sense of them at any rate. Well, Sir, that is the problem before the House. Is this tainted money or is it not? If it is tainted money, then I would appeal to Madras to wait another year for its 126 lakhs. (*Cries of "No" from the Madras Benches.*) I will appeal to the United Provinces not to touch this abomination and wait for its 56 lakhs. I would appeal especially to that home of the free trade agriculturist, the Punjab, to give up their 61 lakhs. I have no doubt that the prosperous province of Burma will readily give up those few six pences which make up its 7 lakhs. (*Cries of "What about Bengal?"*) Honourable Members ask about Bengal. Well, Sir, it is unfortunate that a bird of passage, as my Honourable friend Mr. Neogy called me the other day, should have to stand up and save the people of Bengal from the birds of prey. I should like to ask him to get up and raise his voice in favour of the interests of Bengal, even if it be a question of the poor if he cannot do so when it is the question of our Howrah Bridge. I ask Mr. Joshi to come out of his third class carriage for once and support the interests of those he is nominated here to represent. Well, Sir, if Government will listen to my appeal, I will say that we can, at any rate to-day, kill the political issue. We can definitely decide whether this money is tainted and, if it is tainted, whether we will touch it. (*Pandit Shamlal Nehru: "Do you know the Prime Minister's opinion?"*) I once asked a clergyman whether he would touch tainted money and he said that the only money he regarded as tainted was when he put his money into his pocket and "t-aint" there. If Madras will give up their money, Bengal will certainly take it. (*Laughter.*) Sir, I stand where I stood when I helped to compile the Fiscal Commission's Report. I do not know quite why the Bombay mill industry, that poor struggling industry, will not put their case, as we suggested, before the Tariff Board. Let me read the words of the Fiscal Commission:

"The Tariff Board should be directed to examine at the earliest possible moment the claims of the Indian cotton mill industry to protection. That body will then be in a position to decide the real point at issue."

And this I commend to Mr. Joshi.:

"which will no longer be a matter between Bombay and Lancashire but between the Indian producer and the Indian consumer."

That, Sir, is the issue to-day. At the present moment the consumer of cotton goods in India pays about Rs. 3 for every one rupee that finds its way into Sir Basil Blackett's pocket. In other words the cost of collecting the import duty on cotton piece goods, the cost to the country, is 66 per cent. That fact has often been stated, and so far as I know, it has not been contradicted. The cotton excise duty, like the consumption tax of that country which this House ordinarily regards as the paragon in all things, I mean Japan, is avowedly a tax on the people. There are only two methods of taxing the people of this country, salt and cloth. (*An Honourable Member: "What about the land revenue?"*) Those two taxes reach all. The objection to taxing either is that these burdens do fall on the people; but this House has I think taken the line, certainly most of my leading Indian colleagues take the line, that the people should be taxed for their own benefit, and the money spent on those nation-building departments whose work is so much in arrear. I personally refer the spreading of taxes wherever possible, and I would give the humblest in the land the choice of whether he pays his tax

through his purchase of salt or through his clothing. By limiting one and buying more of the other, he distributes the tax, quite unconscientiously of course, as he wishes. And I believe myself that economically considered, and considering the circumstances of India, which are in many respects similar to those of Japan, the consumption tax, which is what the excise tax is, is economically sound. But as I say there is no political significance in it now. (*An Honourable Member*: "Why do you not introduce it in England?") I would like to see the whole subject investigated by the Tariff Board. You, Sir, have ruled that in the particular form in which this Resolution has been moved, we cannot discuss some of those difficulties, those very real difficulties which concern the Bombay mill industry. Personally I should like to see those difficulties investigated and the export trade of piece goods from India cultivated. But, Sir, we cannot go into that question, and I think it is a question on which the Tariff Board might give us some light. In conclusion, Sir, I would only like to say this, that whilst opposing, as I do, this motion, which after all is chiefly in the interests not of the Bombay Presidency, but of certain interests in the Bombay Presidency, I do feel very keenly that the Bombay Presidency has come badly off in regard to the loot which the Honourable the Finance Member has placed on the table for us to scramble for. (*Mr. V. J. Patel*: "Has he placed it? He has only earmarked it.") I consider the question is one between the Bombay mill industry and the people, between the Indian producer and the Indian consumer, and I shall wait with considerable interest to see on which side the House comes down.

Mr. H. G. Cocke (Bombay: European): Sir, my Honourable friend and colleague Sir Campbell Rhodes has invited me into the arena in connection with this question. He opened by stating that he was not present at the debate last September, but that he had read the report. Well, it is very unfortunate, I think, that he was not present at that debate because reading cold print afterwards is a very different matter to being present in the course of the discussion, and had he been there possibly some of the views he has expressed to-day might not have been held by him. But, Sir, I was very glad to hear him support the Honourable Pandit to the extent of saying that he considered Government should give consideration to the decision of the House to-day. This House I suppose must be considered as representative of the country as a whole, and if this House comes to the decision that, for one reason or another (I will not put the political issue *before* any other issue), this tax should no longer exist, then I agree that the Government might very well yield and alter the disposal of the surplus which they have suggested. (*An Honourable Member*: "Alter the disposal? How?") I will leave that to the Honourable Member to work out. There are various ways in which it can be altered. I am not going to suggest them here, but I do suggest, if this House is in favour of the withdrawal of this duty, due consideration should be given to it. I am quite sure a large number of the Members of this House are prepared to consider the point of view of the tiller of the ground, the man who to-day may be taxed an anna or two for his cloth, and if they, in their judgment, consider that the tax should remain, then I say, let the House proceed to reject this motion for reduction. But I, having regard to all the aspects of the question, and having regard to the wishes of my own constituents, am bound to support the Honourable Member behind me. Sir Campbell Rhodes mentioned that cloth and salt were the only two heads through which you could reach the people in methods of taxation. That is

[Mr. H. G. Cocke.]

bringing it down to very narrow limits. Apart from other articles in more or less daily use, such as kerosine oil, you have got to realise that you are also reaching them through the land revenue, not directly but indirectly. Land revenue has an obvious effect on the price of foodstuffs, and in that way you reach the consumer. (*An Honourable Member*: "No"), in rent or land revenue, or both. Sir, I quite agree that this tax is not as bad a tax as it was. No one can argue against it to-day in the same way as they could argue some years ago. But it does not to my mind affect the real issue to-day. The real issue is that this tax is an objectionable tax from the point of view of history; but apart from that altogether, it is an objectionable tax because it is imposed on the production of an article which is in daily use, and on the production of an industry which unfortunately is carried on mainly in one province. If the cotton mills of India were more widespread it would be different, but the mills being situated as they are, and Bombay being taxed so highly as it is, it is practically impossible to consider this question without some consideration for the Bombay taxation point of view. It is therefore very difficult to separate this question from the question of provincial contributions and other taxes. We are not to consider under your ruling, Sir, Japanese competition, but I think I might be permitted to say that if a foreign country by forced labour is importing articles into this country, unfairly to compete with the output of Indian mills, then that is a matter which we are entitled to take into consideration in considering the removal of this duty. I should also like to make one remark on the general term "millowner". Colonel Crawford, speaking last September, was very angry with what he termed the "Bombay millowners". To have listened to him and to have listened to other speakers, one would have imagined that half a dozen men overwhelmed with wealth were waiting to grab any rupees they could possibly find. What are the facts, Sir? The facts are that to-day almost the whole of the Bombay mills are joint stock companies, and there are thousands and thousands of part-millowners and not only a few men overburdened with wealth. It may be true that a certain number of millowners still hold substantial blocks of their own shares. I suppose I am a millowner. I have a few preference shares the dividend on which is in arrears. I am a part-millowner and many thousands of people are in the same position, and therefore I think it is misleading the issue to put it forward that the Bombay millowners are going to reap the benefit if this tax is withdrawn, that the benefit will go into only a few pockets. It is difficult to trace the exact effect of the withdrawal of this tax. I quite admit it is very easy to argue that it is all going into the coffers of the mill companies. It may be more difficult to argue that it is going to have some effect on the price of cloth, but I am quite sure it will have that effect, not the whole of the 3½ per cent., but the effect of withdrawal should be to some extent to bring down the price of cloth.

Diwan Bahadur M. Ramachandra Rao (*Godavari cum Kistna: Non-Muhammadan Rural*): Sir, my Honourable friend Sir Campbell Rhodes did me the honour of quoting my views when the question now under consideration was under discussion in September last and I am bound to explain what I feel to-day in this matter as fully as I can. Sir, the Honourable Member expressed himself in such a way on this occasion that I am not able clearly to understand his views. He expressed his general sympathy with the cause of the millowners of Bombay. He said the question

should be examined by the Tariff Board in view of what he and his colleagues on the Fiscal Commission had said on the subject, that there are difficulties in regard to the position of the millowners in India which require investigation by the Tariff Board. Sir, this may be so, so far as my Honourable friend is concerned, but the question is a very urgent one for a variety of reasons. At the outset of my remarks, however, I should like to make it quite clear, specially in view of what has fallen from my Honourable friend Mr. Cocke, that so far as we from Madras are concerned, we shall not be a party to any deviation from the scheme of provincial contributions foreshadowed in the Honourable the Finance Member's speech; my Honourable friends from Bombay themselves have, during the course of the general discussion on the Budget, given us the idea more or less unanimously that they on their part do not desire any deviation from that scheme. Therefore, the remarks of my Honourable friend Mr. Cocke that a vote on this question would mean a deviation from that scheme is certainly against the unanimous opinion of Bombay. (*Khan Bahadur W. M. Hussanally*: "Will the Honourable Member share his windfall with Bombay?") So far as Bengal is concerned, I do not wish to say anything further on this question. I am certain there is no Member in this House, either from Bengal or Bombay, the United Provinces or the Punjab, that desires the nation-building departments in the provinces to be starved or would be a party to dissuading the Government of India from maintaining and even accelerating the speed at which they should wipe out these provincial contributions. Sir, the Honourable Sir Basil Blackett has announced that so far as this year is concerned a remission of 2½ crores is to be made to the provinces, and in answer to my Honourable friend Mr. Jinnah he has set out details of the scheme which, if adhered to for the next 4 years, would completely wipe out these contributions at the rate of a crore and a half or so a year every year. We desire that provincial contributions should be wiped out as early as possible in the manner suggested by the Honourable Sir Basil Blackett, if it cannot be done earlier.

There are one or two other matters to which I should like to refer. I have felt since the debate on this question in March last, that there must be a solution of this question as early as possible, that the political aspect of it cannot be ignored and that this question has become a kind of running sore in Indian politics for the last 30 or 40 years. There is no other question of importance which requires immediate attention as this and the Government of India are bound to apply their healing balm to this running sore as soon as possible. After we dispersed in March last I wrote a letter to my Honourable friend Sir Charles Innes to initiate an inquiry by the Tariff Board such as my Honourable friend Sir Campbell Rhodes has suggested to-day. Apart from this, as soon as the discussion in September last was over, I suggested in private discussions with both my Honourable friends Sir Basil Blackett and Sir Charles Innes that this question should be taken up without any further delay, and that, if the relief could not come out of the surplus of the year or if there was any difficulty they should devise some alternative method of relieving the cotton mill industry. The one suggestion that I made which was referred to in my speech to which my Honourable friend Sir Campbell Rhodes has not paid any attention is as follows:

"So far as I am concerned, I am willing, speaking for myself, to examine his proposals." (*That is, the Finance Member's proposals.*) "The only way in which

[Diwan Bahadur M. Ramachandra Rao.]

he could make up the revenue would be by some kind of additional burden on all those who are making profits in industrial concerns. I do not wish to go further than that. We are not anxious to line the pockets of mill-owners and, if Government can bring forward proposals which, while unconditionally accepting the abolition of cotton excise duty, would if necessary make up the revenue thus lost by further taxing the profits of all industrial concerns, we may be willing to look at them."

Sir, I stick to this opinion which I expressed in September last. I contend that if in present circumstances it is not possible for the Honourable the Finance Member to find the required funds out of surpluses, he must raise the revenue lost by the remission of the excise duty by levying an additional tax on all companies which are now making a profit. I contend, Sir, that in that manner the amount of nearly 2 crores which will be lost by giving effect to the Resolution of September last can be made up by imposing an additional super-tax of half an anna on all industrial concerns which are making profits in this country. (Mr. M. A. Jinnah: "Including jute and tea"). Certainly by all means on those and other companies. I may mention the oil trade of Burma which is making very handsome profits; and if you include the jute trade my Honourable friends from Bengal would come under it. Then there is the woollen trade and various other industrial concerns in this country which are making very handsome profits. That is a solution which I expected the Honourable the Finance Member to adopt in regard to this matter . . .

Mr. President: If I allow the Honourable Member to go on, he will cover the whole trade of India which is entirely out of order.

Diwan Bahadur M. Ramachandra Rao: I do not wish to pursue the subject further, Sir, except to say that on this matter there is absolute unanimity of opinion that the Government should take action without delay. Finally, the exact proposals which the Honourable the Finance Member may make are not matters for me or for other Honourable Members at present. It is essentially a question of taxation and is within his jurisdiction. But we do feel this, that any proposals he may make immediately will receive our most earnest consideration. But they should not interfere with the position of the provinces. These two points are absolutely clear in my own mind, and I therefore wish this matter to be taken up by the Government at once.

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): Sir, we are all agreed that this tax must go. The Members on the other side as well as the Members on this side are agreed that this tax is bad and it must go. It is all a question of funds, Sir, and I beg to point out that if my Honourable friend the Finance Member has a wish to abolish this duty he can do so; he has got plenty of funds, I submit. I rise merely to point out how he can not only abolish the excise duty this year, but he can go further and reduce the postage as well as the salt tax. He has got crores of rupees with him. My friend Pandit Motilal Nehru has pointed out that my Honourable friend has put in money here, there and everywhere, so that when he wants it he does not find it. I am afraid it is not correct to say that he cannot find it if he wants, but that he does not want to find it. That is the question. He has deliberately devised the Budget in such a way that those claimants, the man in the street who wants the postage to be reduced, the millowner who wants the excise duty to go, the ordinary man who wants the salt tax to be reduced, would not come forward to

press his claim. He has got crores of rupees, I submit. Take, for instance, the 74 lakhs estimated balance he has got; that surplus cannot be denied. Then my Honourable friend, Sir Charles Innes, will give him 30 or 33 lakhs, because we have cut down the railway expenditure by about a crore and out of that crore he is bound to give one-third or 33 lakhs to general revenues. Thus he can make up one crore of rupees and odd. There can be no question about it. Then my Honourable friend Sir Basil Blackett has written off 82 lakhs on the rupee loan of 1923 which he need not do. You are not justified in doing it. You can spread it over a number of years, as you yourself stated as your policy that with regard to the rupee loan discount it will be paid off in course of time, year by year, by making some provision. You can do that now if you wish to do it. If you wish to relieve the tax-payer you can do it.

The Honourable Sir Basil Blackett: That would decrease the amount of this year's surplus.

Mr. V. J. Patel: Certainly not, you can have the additional 82 lakhs in your estimated surplus.

Mr. President: This conversation is entirely out of order. We are considering the motion to omit the provision for the Cotton Excise Establishment and nothing else.

Mr. V. J. Patel: And I am here to point out, Sir, that Sir Basil Blackett could find the money to meet the deficiency caused by such abolition.

Mr. President: If the Honourable Member succeeds in carrying this motion he will have saved Rs. 77,000 of the money to be found.

Mr. V. J. Patel: That is not enough. He will have to find the entire estimated revenue of 2 crores and odd. Then my friend has got 50 lakhs which he has provided in this year's budget for the service of the new rupee loan. He has, I submit, no business to do that. He could very well have spread it over a number of years and pay it in course of time. He should have consulted the Assembly before appropriating it. It is neither a sinking fund nor interest. It is what you call—I do not know what you have called it (Laughter) (*An Honourable Member:* "Discount")—no, not discount (*The Honourable Sir Basil Blackett:* "Service for the loan")—you have called it the service of the new rupee loan.

Mr. President: The Honourable Member's discussion of alternatives is not in order; he may be in order in referring to them incidentally, but the Honourable Member is making it the substance of his speech which is quite wrong.

Mr. V. J. Patel: Sir, my submission is that the only difficulty, so far as I can understand it, is the difficulty about funds. Both sides of the House are agreed that this tax must go; there can be no question about it, and the main thing that stands in the way of the solution of this difficulty is the difficulty about funds. And I submit that this question should be tackled by this House as best it can, and therefore I am pointing out the ways and means as to how this question can be tackled. The difficulty of my Honourable friend is imaginary.

Then there is a sum of 3 crores and 51 lakhs which he wrote off against
(Laughter.)

Mr. President: My Honourable friend's difficulty in keeping in order is not imaginary.

Mr. V. J. Patel: I submit, Sir,

Mr. President: The Honourable Member can take another opportunity to discuss his difficulties. This is not the opportunity to discuss the whole Budget.

Mr. V. J. Patel: Then, Sir, I shall merely state that my Honourable friend has got crores of rupees and he can therefore not only abolish the excise duty but he can also reduce the postage and salt tax if he has the desire to do so. Besides, the House I am confident will give large and substantial cuts in the Demands for Grants and he will have no difficulty in giving relief to the mill industry. But, will he do it? That is the question.

Mr. President: In view of the fact that to-day is Friday, I propose to adjourn this House a little earlier than usual.

The Assembly then adjourned for Lunch till Fifteen Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Fifteen Minutes Past Two of the Clock, Mr. President in the Chair.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, so far as arguments are concerned, I think all the arguments that were necessary have been supplied in support of the proposition that this item of Rs. 79,000 should be done away with. I do not think it would be right to take up the time of the Assembly by repeating those arguments. This publication on the Indian cotton excise duty, which has been submitted I believe to all the Members of this Assembly, supplies all the facts and figures and arguments which bear upon this question. There are two points which were made by Sir Campbell Rhodes in his speech to which I specially want to refer. Sir Campbell Rhodes said that we should bury the political aspect of this question and that we should look at the economic aspect only in dealing with it to-day. I wish, Sir, the political aspect of it were buried, and I wish that the matter were considered only in its economic aspect. Both from the political aspect and the economic aspect it is high time that the request made in the motion before the Assembly were adopted. The condemnation of this excise duty was nowhere more pithily and forcibly expressed than in an article in the *Times* in 1917 to which I will again draw attention. Writing on the 5th March, 1917, the *Times* said:

"The Indian cotton excise duty has always been politically, economically and above all morally indefensible. It has made a grave breach in the moral basis of the British control of India. It was deeply resented from the outset and has remained an open sore. * * * At the bidding of Lancashire, the Hindu peasant has had to pay more for his clothing for twenty years because, although it is made in his own country, it is subject to an excise duty."

I don't think, Sir, that the condemnation of this duty could be more complete than it is here. So far as the economic aspect is concerned, the writer in the *Times* is perfectly right when he said that it was a great

wrong that the Indian peasant had to pay for twenty years more for his cloth than he would have done but for this duty. Sir Campbell Rhodes observed that the question lay between the consumer and the producer. The question does lie between the producer and the consumer, but I don't think the interests of the consumer and the producer conflict in this matter. The interest of the consumer also lies in having this national industry developed. And this industry cannot be developed if this handicap is continued on it. There is no justification for it. If this duty is removed the industry will have a better chance for growth than it has at present. How unsatisfactory the growth of this industry has been in this country is evident from the fact that three-fifths of the cotton produced in this country is still exported out of India to be manufactured into cloth and yarn outside it, and that only one-third of the cloth which is used by the people of this country is produced by the power looms of this country. Does or does not the industry stand in need of encouragement and development? It certainly does. (*Sir Campbell Rhodes*: "Put it to the Tariff Board.") I am coming to the Tariff Board. I submit, Sir, the fact is obvious. It is a reproach to the Government and the people that this state of things should continue, that three-fifths of the cotton produced in this country should go out of the country to be manufactured outside.

Sir my Honourable friend Sir Campbell Rhodes says, "Go to the Tariff Board." Now, Sir, that is a very unsatisfactory suggestion. What will the Tariff Board tell us about the cotton excise duty that this Assembly does not know? What can they tell us which this Assembly cannot discuss and decide upon in this debate. The Tariff Board is required to consider questions of policy when there is any doubt about it. My Honourable friend, Sir Campbell Rhodes, has not cited one opinion to show that there is in support of the continuation of this duty a single authority which is worth consideration. In this House, in the earlier Assembly and in the old Imperial Legislative Council the question has been debated many a time, and opinion has always been in favour of the abolition of this excise duty. In 1911 there was a debate in the Imperial Legislative Council as it then was. A motion was brought forward by the Honourable Sir Mameckji Dadabhoy. That was supported by every single Indian, but it was defeated by official votes because the officials were then in a majority in the Council. But an English writer wrote that but for the fact that Government had asked the official Members to vote against the motion, it would have been carried by the votes of official as well as non-official Members. That was in 1911. Since then many a time efforts have been made to get rid of this duty but it is still there. In fact, there has unfortunately been weakening in the attitude of Government so far as this duty is concerned. The Government were more clearly in favour of abolishing this duty before than they have been during the last few years. (*The Honourable Sir Basil Blackett*: "No.") I am very glad to hear the Honourable Sir Basil Blackett say that that is not a correct statement. I am glad to accept that statement from him. But why I said it is this. Lord Hardinge's Government definitely promised that this duty would be removed as soon as funds permit. Since that time there have been opportunities when the Government have expressed their opinion on the subject; but the debate in September last in Simla showed, as it seemed to me and many others, that the Government's attitude was not as firmly in favour of removing this duty at an early date as it was before. Even to-day, on this occasion we find that the attitude of Government

[Pandit Madan Mohan Malaviya.]

is not as strong in favour of removing this as it should be. The question does not lie between provincial contributions and the cotton excise duty. The provincial contributions ought to go. It is right that they should go: they must go. But this duty also ought to go, and I agree with those Honourable Members who have spoken before me, and have urged that, if the Honourable the Finance Member could make up his mind to see this duty removed, he has money enough, he can find money enough in this Budget, to carry out that wish. I wish he would say that he can do so. Rs. 74 lakhs which has been reserved out of the surplus which he expects as a margin can certainly be given up. What is the justification for reserving it? In his speech the Honourable the Finance Member said:

“That Government of India, therefore, propose that Rs. 74 lakhs out of the surplus of Rs. 3.24 crores should be kept in hand as a margin against possible disappointments or misadventures during 1925-26 and by way of security against any deterioration in the position of the Central finances in 1926-27.”

That is an over-cautious provision and it is not justified. I do not know that if we have to provide against possible disappointments or misadventures to the extent proposed, any budget can be considered to be a satisfactory one from the people's point of view. The estimates that have been made are on all heads, one might say, not merely sufficient but ample. I do not think that there is any department in which there has been a failure to provide against any possible disappointment of an ordinary kind. As regards any extraordinary disappointment, we cannot foresee it, but we can see that the chances of it next year are very few. Therefore, I do not think that it is right to reserve Rs. 74 lakhs out of the surplus against possible disappointments. Nor do I see why by way of security against any deterioration in the position of the central finances in 1926-27 this sum should be kept in hand. Then there is also Rs. 33 lakhs more likely to come from the Railway revenues, and that can easily give us a crore of rupees. And certainly another crore could be found by reductions in other departments. If there was a determination in the mind of the Finance Member and his colleagues to find money in order to wipe off the cotton excise duty, I say with great respect that this could be done, and it ought to be done. Sir, a reference to the Tariff Board will only delay the day of relief and I think that that delay ought not to be allowed. The House has clearly expressed its opinion and I do hope that the Government will see their way to accept the motion and remove the cotton excise duty in this very year.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, till yesterday evening I felt inclined to vote for the motion which the Honourable Member for the Ahmedabad Millowners' Association had brought forward before this House this morning. The one reason which made me inclined to take that view was that unless and until the cotton excise duty is removed it is not possible to get any section of the Indian public to discuss the import duties on cotton goods as well as the labour conditions in the cotton industry in Bombay on their merits. Whenever the question of the import duties on cloth is discussed, a political feeling is brought in the question and the whole issue is clouded by the feelings roused on account of the cotton excise duties. Only this morning the Honourable representative of the Ahmedabad Millowners' Association tried to make out that the reduction of import duties on cloth was perhaps as great a crime as

the imposition of the cotton excise duty. Now, Sir, he is enabled to do this simply because the history of the cotton excise duties is a very objectionable one. I feel quite sure that if there had not been the cotton excise duty it would have been much easier for a man like me, or any other Member of this House who does not believe that a high import duty on cotton goods is a good thing to persuade a number of Members in this House to go with us, but unfortunately the existence of the cotton excise duty and the history behind it makes our position very difficult in this matter. The same thing happens when we try to get the labour conditions in the cotton textile industry improved. Whenever we talk of the improvement in labour conditions the bogey of the cotton excise duties is thrown in our face. Feeling is roused and it is difficult for us to get sufficient opinion in favour of the improvements which we hope for. It was this consideration which made me inclined to support the motion which the representative of the Ahmedabad millowners brought forward this morning. I do not believe in the various arguments that have been brought forward against the cotton excise duties. I know there are people who hold that the reduction of the cotton excise duties may benefit the Indian consumers. I do not believe in that argument. I believe that the reduction of the cotton duties will benefit the cotton textile industry only and not the consumer. Unfortunately again political prejudice clouds the issue and we do not get people to consider this question dispassionately.

Then, Sir, I have heard it said that the cotton excise duties must be removed because they are a sign of our bondage to a foreign country. Sir, there is no doubt that when the cotton excise duties were imposed they were imposed because we are not a free country; we are under the dominion of Great Britain. But, Sir, when the import duties on cotton goods were raised to 11 per cent. the sting in this argument has gone to a great extent. At present there is a difference of $7\frac{1}{2}$ per cent. between the duty levied on the Indian goods and the British piece-goods. But Sir, if we are to consider the cotton excise duty as a sign of bondage, are there no other duties in India which are a greater sign of the enslavement of our people than the cotton excise duties? Sir, take the salt tax. The salt tax is a tax on manhood. It is a poll-tax hated by this country since a very long time. It is a worse duty than the cotton excise duty. Therefore, if at all we have to remove any duties on the ground that that duty is a sign of our bondage, I say, Sir, the removal of the salt duty is more important than the removal of the cotton excise duty.

Then, Sir, it was said that the cotton industry is at present making great losses and therefore we should remove the cotton excise duty. In order that this argument should be regarded as valid it is necessary to show that the losses of the cotton industry are due only to the excise duty. Moreover, if the cotton excise duty falls upon the consumers, it need not cause any loss to the millowners. Moreover, Sir, if any relief is to be given to the millowners on the ground that they are making losses it is necessary for this House to find out the causes of those losses. There may be various factors in the industry which may be responsible for the losses which are caused to the industry. The prices of cotton may have gone up and caused losses. The industry may not be managed under a proper system. I know as a matter of fact that a great many cotton textile factories in India are managed on a most pernicious system of management by agencies where the agent's commission is based not upon profits but upon the production. I know also as a matter of fact that a great number of

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people who are at present managing the cotton textile industry come from the ranks of your rivals. Hundreds of Lancashire men are managing the cotton textile factories in India. If you keep your industries in the hands of your rivals I think there may be a good reason for making losses. Sir, I do not wish to go into the causes of the losses made by this industry: But, Sir, I want to make one further point and it is this. If the cotton textile industry wants to come to this House and asks for relief on the ground that they are making losses, I feel Sir, that this House should take steps to conserve the profits which are made by the industry in prosperous years. The millowners made a profit of sixteen crores of rupees during recent years. If those sixteen crores of rupees had been conserved, I am quite sure that the millowners in India need not have come to this House at a time when they are making losses. (Mr. C. S. Ranga Iyer: "I hope the Honourable Member will make it clear whether he is opposing the Resolution or supporting it.") Sir, I shall make my attitude quite clear to Honourable Members if they will have a little patience to hear my speech to the end. Now, Sir, the main question upon which my attitude to-day is going to be decided is the attitude of the millowners which they have very recently taken on this question. Sir, the cotton excise duty may be removed. As one who represents the interests of labour, and especially as one who is interested in the welfare of the workers in the mill industry in Bombay, Sir, I have nothing to fear from the removal of the cotton excise duty. (Mr. A. Rangaswami Iyengar: "Everything to gain.") It is possible that the workers in Bombay and elsewhere may also gain. But, Sir, when we consider questions in this House, we feel that it is not right that we should consider questions from the narrow point of view of the interests which we represent here but from the broad point of view of the whole country. Sir, it would have been possible for me, as I have said, to vote for this motion if the Bombay millowners had put this question before the public in the right spirit. On the one hand, they say that this duty will benefit the public because the public may get cloth cheaper and the duty will be transferred to the consumer. But, Sir, if the duty can be transferred to the consumer, why are the millowners of Bombay making it a condition that if the cotton excise duty is not removed, they will reduce the wages of the workers in the mill industry in Bombay by 20 per cent.? If the duty falls upon the consumer, there is no connection between the reduction of wages by 20 per cent. and the abolition of the cotton excise duty. But, Sir, the millowners of Bombay believe very firmly that the duty falls upon them and therefore they want to take advantage of this opportunity to impress upon the public that they are the benefactors of the workers in the mill industry in Bombay. Sir, the millowners of Bombay have very skilfully stage-managed the deputation to the Governor of Bombay, and they have given a threat that if the cotton excise duty is not abolished, they will reduce the wages of the workers in Bombay by 20 per cent. Sir, if I had been sure that the removal of this cotton excise duty would prevent the wages of the workers in Bombay being reduced for about three years' time, I might still have voted in favour of this motion. But, Sir, will anyone here standing for the millowners of Bombay say that if the cotton excise duty is abolished by the vote of this House to-morrow, the wages of workers in the cotton textile industry will not be reduced for the next three years or for at least one whole year? Sir, if I get that guarantee, I shall be

very willing to go into the same lobby and vote with the millowners of Bombay. But, Sir, I feel quite sure that even if the cotton excise duty is abolished, the millowners of Bombay will not fail to reduce the wages if they can do so. But, Sir, I feel very strongly and I consider that the millowners of Bombay have taken a very objectionable step by holding out a threat to the Members of this Assembly and to the public outside that if this cotton excise duty is not abolished, they will reduce the wages of the workers in the mill industry in Bombay. Sir, it is this circumstance that has changed my attitude between yesterday evening and this morning. Sir, I cannot support the motion of the Honourable Member from Ahmedabad.

Mr. H. Calvert (Punjab: Nominated Official): Sir, I only wish to intervene in this debate to attempt to remove one or two little misapprehensions which have crept in in the course of it. I think, Sir, the issue is really a very clear one between the relief of provincial contributions and the abolition of the excise duty. (*Honourable Members*: "No, no; not at all.") The sole question we have to decide is which of the two goes first. (*An Honourable Member*: "Not at all.") I understand that probably no one in this House will be better pleased to see the excise duty abolished than the members of the Government of India and it is probably merely the question of meeting the insistent demands from provinces which has led them to defer the abolition of this duty for a short time longer. Now, Sir, this question unfortunately is very largely a sentimental one and those of us who have tried to study the causes of Indian poverty realise that the attraction of sentiment is one of the main causes of the poverty of this country. That sentiment, Sir, arose from the action of a certain part of England and I am not going to defend the action of the Lancashire members of Parliament. The real reason now behind this demand for abolishing the excise duty arises more from competition from Japan than from competition from Lancashire. Now, Sir, I should like to remind the House that in so far as the cotton industry is concerned, India is still a free-trade country. Sir, from a purely economic point of view where the State by its action enables any body of men to earn from their enterprise a higher profit than it otherwise would do, the State has the right, and indeed the duty, to take measures to get back for public uses the money which their action has enabled that section of the population to make. The excise duty is merely a device to get back for public purposes so much of the extra profits accruing to the millowners which arises from the import duty on cloth. The real question after all is not the abolition of the excise duty but the retention of the import duty on foreign cloth. If that import duty goes, the excise duty goes with it. I think it should be clear to all that the import duty on cloth is paid by the consumer while the excise duty is paid by the manufacturer. I think my Honourable friend, Sir Campbell Rhodes, made a slight slip this morning in which he seemed to suggest that it was the consumer who was paying the excise duty.

Sir Campbell Rhodes: If my Honourable friend will allow me to explain, Sir, I think this morning I rather jumped an argument. It was the intention when putting on the excise duty and it is the intention of the Fiscal Commission that it should be a consumption tax. But the Fiscal Commission clearly laid it down that so long as the import duty was high and regulated internal prices, the excise duty would be paid by the mills out of the consequent excess profit that accrued to them owing to the import duty. I think my Honourable friend will remember that further

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on in my remarks I pointed out that this motion would mean the relief not of the people of India (or the people of Bombay I think I said), but of a particular interest.

Mr. H. Calvert: I quite agree that the main point is that the excise duty is not paid by the consumer. And if this excise duty is abolished, it does not necessarily follow that the prices of cloth will come down. They may or they may not. But any alteration in the price of cloth will be due to internal competition and not to the removal of the excise duty. I should like, Sir, to take this opportunity of correcting what I think was a slip made by my Honourable friend, Mr. Cocke, who suggested that the land revenue affected prices. I think that suggestion was fairly exploded some 40 years ago after a careful inquiry and the suggestion that has now been accepted is that a differential land revenue, a land revenue that is based on the profits of cultivation, does not affect prices which are entirely fixed by the supply and demand in various markets. I should also like to correct one further little slip made by my Honourable friend Pandit Madan Mohan Malaviya. He regretted that a very large portion of cotton grown in India was exported from India. Now, Sir, if we are to try and raise the general economic standard in this country we must try and make our soil produce crops of higher value than they do now and the one crop of higher value which the soil of India can produce is long staple cotton. At the present moment, I understand the mills in India are not prepared to buy that long staple cotton. The new 289 cotton now grown in the Punjab cannot find a market in India at all. Some of the cotton that is being exported from India is the long staple cotton which the local mills do not consume and I think it is not a matter for regret. Sir, I only hope that my Punjab friends at least will vote solid for the retention of this excise duty for a few years longer until the provincial contribution is entirely remitted.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, of all the speeches that I have heard delivered till now in this House on this motion, I think the one that requires my greatest attention first, as being one which comes from one of the most esteemed Members of this House and also from a representative of an interest which clashes with the interests of the industry for the protection or for the betterment of which this motion is before the House, is the speech of my Honourable friend Sir Campbell Rhodes. Sir, a newspaper in Bombay commenting on Sir Basil Blackett's speech said that he had there initiated the policy of divide and rule. I do not know whether I agree with that comment of the Budget. But I certainly feel that Sir Campbell Rhodes tried to throw out this motion by dividing the Assembly. I will give you a few instances. He was first, Sir, not satisfied with the racial, communal and religious differences by which unfortunately at times we suffer. He added one more to it, namely, he tried to arouse provincial jealousies and appealed to Madras, the Punjab and the United Provinces to down this motion. I wish he had some better arguments than this undesirable appeal to Members from these various Provinces to fly to his banner. But, Sir, that was not enough for him. He went out of his way to appeal to Mr. Joshi, who never loses a single opportunity of doing his duty according to his lights, to oppose this motion and stand by Manchester in his last effort to justify before this House the retention of this excise duty. Sir Campbell Rhodes then referred to what he has said as one of the members in the Fiscal

Commission's Report. I admire the great labour which he devoted to that report. But he overlooked the fact that there were five esteemed members of that Commission who differed from Sir Campbell Rhodes and his friends very materially. Sir Campbell Rhodes had not even a word to say about this important minute of dissent and the very strong lines on which the five Indian members differed from what Sir Campbell Rhodes attributed to the report. Sir Campbell Rhodes admired Sir Charles Innes' speech at Simla on the Resolution of Mr. Kasturbhai last September. He said he had studied that speech with great care. Sir Campbell Rhodes I think conveniently overlooked the reply of the millowners of Bombay and of all over India, if I may say so, to Sir Charles Innes' speech. I understand a copy of the reply was sent to Sir Campbell Rhodes as one of the M. L. As. He did not think it necessary to refer to it

Sir Campbell Rhodes: I was not an M. L. A. then; I do not think I got it.

Sir Purshotamdas Thakurdas: If he did not get it I have not anything more to say, but I understand every Member of the Assembly had a copy of this reply. Do I understand Sir Campbell Rhodes did not borrow a copy from some other Member and read it? I pause for a reply.

Sir Campbell Rhodes: No, I have not seen it.

Sir Purshotamdas Thakurdas: I understand Sir Campbell Rhodes has seen this (showing a copy of the pamphlet) only for the first time. In that case I will not proceed further on that point now. But Sir Campbell Rhodes absolutely excelled himself when he quoted me. I thought he was going to pay a compliment to me. He quoted from what I said at Simla in regard to this excise money being tainted money coming out of the industries of India to help Lancashire. Sir Campbell Rhodes reminded the House that Pandit Motilal Nehru to-day was catching the main points of his speech from what I said at Simla last September. Sir Campbell Rhodes forgets that Pandit Motilal Nehru, before he became leader of the Swaraj Party, was a very strong National Congress man himself. In fact when Pandit Motilal Nehru was doing his duty in Congress before the Swaraj Party days, I was at school and college; and I refuse to accept the compliment that Sir Campbell Rhodes wishes to put at my door, that Pandit Motilal Nehru borrowed the ideas of his speech to-day from me. He must have thought of it; he must have pressed these ideas of the political infamy hurled at India long before I knew anything of the excise duty. Sir, I give back to Sir Campbell Rhodes that compliment and he can hand it out to somebody else at a more convenient time. May I say to Sir Campbell Rhodes that by these methods he is asking to be told that Sir Campbell Rhodes re-echoes here what Lancashire and England want to be retained. I did not want to say that, but I say, and I repeat it, that Sir Campbell Rhodes with all sorts of plausible arguments is trying to divide this Assembly on grounds of provincial and other undesirable jealousies and is trying to divide this Assembly on the question of capital and labour. He is trying to enforce here, under the guise of the financial needs, etc., of India what Lancashire wants and what Lancashire actually thrust down India's throat in spite of the opposition of the Government of India. I have finished, Sir, with Sir Campbell Rhodes and his kind. I do not think anything more in his speech deserves my further attention.

I now come to my esteemed friends on my right. It was Sir Campbell Rhodes who asked for the help of Madras, and it was my Honourable friend Diwan Bahadur Ramachandra Rao who asked for a categorical

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declaration from such Members of the House who are interested in the removal of the excise duty which is now said to be Bombay's look-out. As if Cawnpore is not going to share it; as if my friends' mills in Madras are not going to have a share in it. I am sure Sir Basil Blackett is not going to declare "no excise duty for Bombay." But Diwan Bahadur Ramachandra Rao asks for a categorical declaration that the excise duty is not going to disturb the provincial contributions. I say, and I have the authority of my Chamber in saying it, if I may take it for granted after the conversations I have had with leading members of my Chamber here, that I assure them that the question of the excise duty is not going to affect the question of provincial contributions. The provincial contributions stand on their own merits, and must be granted on their own merits. The excise duty need not have precedence over the provincial contributions. Both are evils.

The latest is the provincial contributions; the one that will give relief to the largest number, that will help most the nation-building departments of the various provinces; and to that extent we support the remission of provincial contributions first, second and last. But what we do claim and what I ask not only Madras but also the Punjab to support in spite of my Honourable friend there, the Government representative of the Punjab,—what I ask of this House and of all the representatives of the various provinces is this, treat your provincial contributions on their own merits; we do not wish to come in the way of them; in fact, we will press with you the Government to remit these provincial contributions as early as possible. On the other hand do not overlook the great handicap that the cotton excise duty puts on India. Leave on one side the political question as everybody is agreed on it; think of its effect on the cotton industry of India. Because the cotton industry happens to be largely implanted in the Bombay Presidency, let that not prejudice you and let that not be an artificial handicap to us.

I shall therefore having cleared this ground and having given my Honourable friends from Madras, the Punjab, the United Provinces and Burma the assurance that when this Resolution comes up for discussion on the 18th instant their contributions shall not be under dispute so far as I am concerned, I will now consider the question why the cotton excise duty should now be taken up for serious consideration as to its being removed. I understand, and I mention it because I am told that the Madras Government are so very uncertain and doubtful about the provincial contributions not being in any way affected by any discussion on the cotton excise duty that an Honourable and responsible member of the Madras Cabinet has publicly said that he is not quite sure yet whether the provincial contributions will not suffer by coming into the discussion on the excise duty. If there is going to be anything more from the Government of India, I do not know, I am not in their secrets; but as far as the non-official Members are concerned, they will stand by the remissions that have been notified till now; and if anybody from Madras will not trust the Honourable Members here to look after their interests, the fault will not be ours.

Sir, it has been the fashion of the last few weeks, I see, for Government Members when they get up to reply to a debate not to reply, or, to overlook to reply, perhaps under the stress of pressure, to the most important

points raised in the course of a debate. I will mention one case which related to that cut of 50 lakhs which was ultimately reduced with the consent of Government to 35 lakhs when it came to the Demand for Grants. The Honourable the Commerce Member did not think fit to refer in his reply on the Railway Budget debate to this by a single word. Supposing that part of the Grants for railways had come under the guillotine the 50 lakhs would have been there undisturbed although the Government Member could not defend the figure and had to reduce it by Rs. 35 lakhs. I am afraid I have to remind the Honourable the Finance Member of a somewhat similar lapse. My Honourable friend from Ahmedabad distinctly said in the course of his speech on the general debate on the Budget that he had overestimated the cotton excise duty revenue. Mr. Kasturbhai Lalbhai distinctly stated that the Honourable Sir Basil Blackett was counting upon 14 months' duty. He further pointed out that since last year or very lately the Government have made a reduction of 15 per cent. in the price. Well, Sir, if that is true, and as Sir Basil Blackett has not challenged it I may take it it is true (*The Honourable Sir Basil Blackett*: "I challenged it at the time.") I wish then you could have said what are the correct figures. If the duty was taken for 14 months, then you have to knock off 2 months' revenue. If 15 per cent. has been reduced in the price, 30 lakhs go off. Mr. Kasturbhai Lalbhai pointed out that the amount was too much and he estimated the correct amount would be 1 crore 60 lakhs. Therefore, as far as this item is concerned, the difference is between finding 2 crores 15 lakhs and 1 crore and 60 lakhs. With deference to the Honourable the Finance Member I submit that in view of the fact that the excise duty is one which interests the House so much, he might well have given a little more attention to this question in his reply on the general debate instead of concentrating it on my Honourable friend to my right who addressed the House last on the Budget debate.

The whole question boils down to this: The House apparently is agreed that the excise duty must go. The Government have indeed
 3 P.M. said so. The question now is whether the excise duty should go when there is a normal surplus out of the revenues which will enable the Government to do away with a recurring revenue of a crore and a half, or whether there should be some substitute put in for the excise duty which will keep the Honourable Finance Member perfectly at ease regarding his successive revenues hereafter. I submit, Sir, that when reduced to this the question becomes a very simple one. It is now for the House to say whether they would like to substitute some other tax and, if so, what tax. It is not a question which can be decided in the House, it is a question which perhaps is a matter for some little consideration in Committee or by the Finance Member whichever he likes. But why not go to the root of the whole thing? Why not really begin to come to grips with the proposition? If the excise duty must go, the Honourable the Finance Member may say "I must have a substitute"; in which case my Honourable friend from Madras, Diwan Bahadur Ramachandra Rao, indicated one such; there may be several such suggestions. (*Diwan Bahadur T. Rangachariar*: "Increase the duty on hides.") There is another one offered by Madras again. The whole question, Sir, to my mind boils down to this: Is the House prepared to say that a tax on production of one of the necessities of life is a thing which the House would really like to confirm? It is not like a tax on the production of

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liquor or a tax on the production of alcohol or the production of something which is a luxury. It is a tax on the production of one of the necessities of life. Sir, I wish that those who support this excise duty under one guise or another, on one excuse or another, under one irritation or another, as my Honourable friend, Mr. Joshi, evidently seems to have been irritated, I wish that they will say they would like to put a duty on the production of a necessity of life. I do not think, Sir, the time at my disposal will permit me to go further into this question. All I say is that this amendment has been submitted, I take it, with a view to get a definite pronouncement from the House whether they would like the excise duty to go now or whether a substitute is required for it. This latter is a question for the Finance Member to consider and to come up with proposals before the House and I am sure the House would give them its most careful and impartial consideration. I have great pleasure, Sir, in recommending this amendment for the acceptance of the House.

The Honourable Sir Basil Blackett (Finance Member): Sir, I should like to bring the House back to a consideration of exactly what is the point before it. A motion has been moved to reduce the provision in the Demand for "Customs" by Rs. 77,000. Pandit Motilal Nehru would have liked to have made it Rs. 79,300; and in view of the object which the Honourable Member who moved this stated to be his, it is clear that the Honourable Pandit's motion would have been a little more logical, because his motion is to remove all provision from the Customs Demand for the collection of the cotton excise duty as from the 1st April 1925. That is to say, the House, if it votes for that motion, will be expressing the view that the Government should cease to collect cotton excise duty altogether from the 1st April 1925. The consequence of any such action would clearly be a reduction of 215 lakhs in our estimate for the coming year. The correctness of that figure has been challenged. I do not know on what basis it is suggested that the last year's receipts contained 14 months' collections. My information does not support that. So far as I am aware, that estimate is as good an estimate as can be made, but I recognise that Mr. Kasturbhai Lalbhai has some strong claim to be in a position to estimate the receipts from this tax. He says the receipts will be 160 lakhs. If the receipts should be 160 lakhs and not 215 lakhs, 55 lakhs out of my surplus of 74 lakhs are already gone and I have nothing to distribute. But I should prefer to stick to my figure. I have no reason to suppose either that this estimate is very wide of the mark, or that our total estimate of receipts from Customs will not be realised, provided that we have a reasonably normal year.

I have been challenged from several quarters on the assumption that I go about with crores in my pocket or up my sleeves. I should almost be afraid to meet Mr. Patel on a dark night because he might try and get hold of those crores from me, but I assure him that if I had them I should get rid of them myself at the first opportunity. It is suggested that our surplus of 74 lakhs is unnecessarily large as a reserve. It is also suggested that it has been increased by the course of the debate on the Railway Demands for Grants. Now, the House will remember that, in respect of nearly all the important cuts that were made on the Railway Demands for Grants, we were definitely invited to come back with a supplementary estimate if we found that the money was required. It is extremely difficult, therefore, for a Finance Member who is making the best estimate

he can of the amount that he will require to spend and the amount that he will receive in the course of a period of twelve months which has not yet begun, to take cuts of those sorts and say that they add to the total of the surplus in any way. After all, what they really represent now is to some extent a provision against probable supplementaries or possible supplementaries. I do not want to put it stronger than that. All that I am saying is that you cannot by cuts of this sort say that I am entitled to alter my estimates and that I have got 25, 30 or 40 lakhs to give away. The point, therefore, comes to this, that it is proposed by this House quite clearly that Government should cease to collect the cotton excise duty as from the 1st of April 1925. The Honourable Pandit Motilal Nehru made it quite clear that he did not desire any reduction in the provincial contributions that have already been recommended by the Government. Diwan Bahadur Ramachandra Rao was even stronger in saying that he regarded any raid on provincial contributions as entirely out of the question. We have got, therefore, to find 215 lakhs if this motion is carried and accepted by the Government. We have got to find 215 lakhs without going to the provincial contributions. I say quite clearly to the House that these 215 lakhs do not exist, and I cannot possibly estimate that we shall receive anything like that sum in addition to the sum that is required to meet the expenditure of the year. We cannot get that without reducing the provincial contributions or without having a deficit. Sir Purshotamdas Thakurdas who spoke last was, I think unintentionally, even stronger than Diwan Bahadur Ramachandra Rao in what he said about the provincial contributions. He said: The excise duty does not take precedence over the provincial contributions; first, second and last, the provincial contributions have preference. Does he mean to say the whole of the 9·83 crores of provincial contributions have preference over the cotton excise duty?

Sir Purshotamdas Thakurdas: I mean as far as the declaration by Government went for remissions of these contributions.

The Honourable Sir Basil Blackett: Therefore he meant first, and not second and not last. What Sir Purshotamdas means is first, and not second and not last and that the cotton excise duty is to have preference over any further reductions.

Sir Purshotamdas Thakurdas: Sir, let me make it quite clear, this is very important. If the Government of India propose to give a remission of provincial contributions, whether it is the first, second or third time, the remissions of provincial contributions will have precedence over every other consideration. Is that clear?

The Honourable Sir Basil Blackett: Sir Purshotamdas says we can afford 215 lakhs.

Sir Purshotamdas Thakurdas: May I ask his pardon if I try to get clear about one thing more, Sir? What does the Honourable Member say with regard to prices having been reduced by 15 per cent.? He has not replied to that question raised by Mr. Kasturbhai.

The Honourable Sir Basil Blackett: I am perfectly well aware that the valuation has been reduced by 15 per cent. But Sir Purshotamdas says that, as from the 1st of April 1925, we can cease to collect cotton excise duty. That is the meaning of his motion.

Sir Purshotamdas Thakurdas: If the Government of India are obdurate.

The Honourable Sir Basil Blackett: That means, if that motion is carried and given effect to, that my estimates of receipts and revenue for the current year are Rs. 215 lakhs too high. If my estimates are already too high, that does not matter. But it does mean that we lose 215 lakhs from our revenue for the present year. (Sir Purshotamdas Thakurdas again interrupted.) I have given way to the Honourable Member so often that I think he might let me continue. The Honourable Member says that we can afford 215 lakhs out of this year's estimates. If I can afford it and the provincial contributions come first, ought we not to add that to the provincial contributions? I am putting the position simply and perfectly straight, as it is. I do not want to put in anything but just to put the facts before the House. The House are therefore by this motion, first of all, as I say, endangering the 250 lakhs of reduction of provincial contributions this year. Secondly, they are definitely voting that any further surplus that we have this year or indeed at any future time should go first to a reduction of the cotton excise duty and only thereafter to the provincial contributions. I am trying to put the position perfectly clearly and logically before the House. The Honourable Pandit and Mr. Ramachandra Rao I think realised this fact and they suggested that we should get over the difficulty by some substitute taxation. Now, that was a suggestion that was made last September and was very carefully considered by the Finance Department. We considered one alternative after another but you are up against this difficulty—I do not want to provoke Sir Purshotamdas again but even Mr. Cocke stated that only a small portion if any of the $3\frac{1}{2}$ per cent. cotton duty if reduced would go to the consumer, that most of it would go to the millowner. It must be so. My view is that the whole of it will go to the millowner. That is to say, substitute taxation puts us up against this real difficulty that we have got to come before the House and ask them to put a tax on somebody else in order to put money into the pockets of the millowners. It is a real difficulty. I therefore come back to this that the only solution of this problem is the complete abolition of the cotton excise duty without substituting other taxation. I should have liked to have had substitute taxation but it does seem to me extremely difficult for the Government and for this House to propose that we should put a new tax on particular individuals even if some of them are the same individuals as the millowners in order that the proceeds of that tax may go into the pockets of the millowners. It is an unavoidable difficulty. I do not abate one jot or one tittle of what I said last September as to the undesirability of this tax. I repeated it in another place yesterday and I now say again that the Government of India have every intention of fulfilling in the spirit and in the letter the pledge that was given by Lord Hardinge that the cotton excise duty would be abolished as soon as financial considerations permit. That promise was made in 1915 at a time when there was only one purse, when the Provincial Governments' finances had not been separated from the Central Government's. It is said that we have a surplus this year. So we have from the point of view of the Central Government, but if you were to put India back into the position in which she was in 1915 from the point of view of finances, that is, having one purse for the Central Government and Provincial Governments, there would be a deficit equivalent approximately to the amount of provincial contributions, that is we are still in deficit. The House accuses me—or I rather have been accused in various quarters outside the House—of trying to set province against province, of trying to divide and rule. No such thought is in our minds. We are simply up against the logic of facts

Sir Purshotamdas Thakurdas: I hope the Honourable Member does not refer to me.

The Honourable Sir Basil Blackett: I am referring to the quotation which the Honourable Member made from a paper.

Sir Purshotamdas Thakurdas: I say I agreed with it?

The Honourable Sir Basil Blackett: I know it and that is why I corrected myself and said that I have been accused in certain quarters. As I said, we are simply up against the logic of facts. So long as the provincial contributions exist, there is this difficulty that you cannot reduce any central taxation without *pro tanto* postponing the reduction of the provincial contributions. I regret that it should be so, because it is very difficult to get a really satisfactory debate on this subject so long as that dilemma exists. If you wanted a really satisfactory debate on this subject it would only be in this position—that there was a surplus in the Government of India Budget available for reduction of taxation and the question before the House was, shall we reduce the cotton excise duty or shall we reduce some other tax? Speaking for myself, though I may be unwise to answer a hypothetical question, I am quite sure that on political grounds I should vote for a reduction of the cotton excise duty.

I should like to say a word about what Sir Purshotamdas Thakurdas said on the subject of Manchester. He was betrayed into saying something which I hope he had not meant. He quoted from some of the very voluminous documents which have been published by the supporters of the abolition of the cotton excise duty. He complained that Sir Campbell Rhodes had not spent his time in reading a particular pamphlet. I doubt if many people have read all the pamphlets, but I have one here in which the millowners directly contradict the statement which Sir Purshotamdas Thakurdas was betrayed into making in regard to Manchester. This is what they say:

“If there is no competition between the English and Indian piece-goods (and this is an acknowledged fact admitted by Sir Charles himself), then it follows that these two markets are quite independent of each other and the rate of import duty can hardly affect the local market in one way or another.”

Sir Purshotamdas Thakurdas: If the Honourable Member is prepared to give way I should like to explain myself, as I have no right of reply. That has nothing to do with the point of view I was looking at it from.

The Honourable Sir Basil Blackett: The Honourable Member was saying that Manchester stood in the way of the abolition of these duties and that Sir Campbell Rhodes was trying to get people to vote for Manchester. But here the Millowners themselves confess that there is no competition between the two.

Sir Purshotamdas Thakurdas: That is the joke of the whole thing. In spite of there being no competition Lancashire still wants the duty to remain so that the Indian cotton industry may not advance.

The Honourable Sir Basil Blackett: Lancashire is not standing in the way. I am afraid the Honourable Member has convicted himself out of his own mouth of inconsistency. However, I do not want to take up that matter any further.

If the House vote for this, they are voting for the abolition of the cotton excise duty as from 1st April next. They are voting that, except to the

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extent of the remissions already proposed by the Government in the case of the provincial contributions, the cotton excise duties should have preference over any further reduction of the provincial contributions. They are voting further that we should budget this year for a deficit. I cannot naturally anticipate at this stage what decision the Government would arrive at in reference to a vote of that sort. Government are necessarily awaiting in all these matters the discussions that will take place on the Demands for Grants and on the Finance Bill. That the Government would be put in a very difficult position by the carrying of this motion is quite clear because in spite of what has been said by Pandit Motilal Nehru, in spite of what has been said by Mr. Ramachandra Rao, they would have to take it that it was an expression of opinion by this House that the cotton excise duty should be abolished in preference to the provincial contributions. It is unavoidable. That is clearly what the House are expressing if they

Shri Iyengar: That is not the opinion of the House. That is the opinion of the House. That is my difficulty. I am quite sure that it is not the opinion of the House. The House are asked by this motion to vote for something which obviously carries that necessary expression of opinion. I know it is not the opinion of this House. That is exactly the difficulty and I put it to the House that they should think twice before carrying a motion which conveys clearly that opinion although it is not the opinion of the House.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): *I am not a millowner. I happen to hold very few shares and most of them are not paying much of dividends for a long time. Now, my friend Mr. Chaman Lall lives in the Punjab and not in Bombay.

Mr. Chaman Lall: I know a good bit about Bombay and the millowners.

Mr. M. A. Jinnah: What about the millowners?

Mr. Chaman Lall: They are rogues of the first water.

Mr. M. A. Jinnah: Sir, it is admitted on all hands that this excise duty is historically wrong. It is also admitted by everybody in this House that it was a blunder politically. There are two questions about which there is a certain amount of doubt, one whether it is economically sound or whether it is not sound. My friend the Honourable Sir Campbell Rhodes from Bengal is a champion of the salt tax and I believe that he thinks that two of the best and most excellent methods of taxing the people of India are the salt tax and the tax on cloth. The Finance Member does not endorse that because I did not hear any argument coming from the side of the Government that economically this is the best method of taxation. The only argument and the only stand that the Finance Member has taken up is this, "I have no money," and the question is whether we should reduce the provincial contributions at this moment or whether we should do away with this excise duty. Now, Sir, this House does not desire to interfere with the proposal of the Government which they have put forward with regard to the reduction of provincial contributions but, while we say that, the matter does not end there. Does the Finance Member say that he wants to convey to this House that he is not prepared to show in any manner whatsoever the earnestness on the part of the Government, their intention and their determination to do away

*Not corrected by the Honourable Member.

with this excise duty? All that we get from the Finance Member is this. "We stand by the pledge which was given by Lord Hardinge." What is that pledge? "We shall do away with the cotton excise duty as soon as funds permit." Sir, that was the pledge which was given 15 years ago. (*Cries of "10 years; 1917: 1916"*). Then, Sir, I shall go further back still. That was not the first time. Previous pledges were given during the time of Lord Minto, and I remember, Sir, because I happened to be then a Member of the Imperial Council, a definite pledge was given on behalf of the Government of India in 1910. Therefore, Sir, what is the good of repeating this formula over and over again when this question is brought before the Government, that "Yes. (*A Voice: "15 years."*) Yes, quite right. Only 15 years ago. (*Laughter.*) And to-day what do we get? "Oh, we stand by that pledge as firm and as strong as we were 15 years ago." Sir, I do ask the Government, is it not high time that they translated that pledge into action? That is the question I put to them, Sir. I cannot search the pockets of the Honourable the Finance Member. He may have crores, he may have millions. I do not pretend to be a financial expert and I therefore cannot perform that function which a financial expert can; nor can I perform the function of a policeman and search his pockets and find out how many crores he has got. But I do feel, layman as I am on the subject, that if the Government are so minded and if they really wish to mark their intention by their action, they can certainly meet us in reason and come forward and say—and there the Finance Member knows better than anybody else—come forward straightforwardly and say, "We are not going to advance arguments any more. We are not talking of pledges any more; we are not talking of history or politics or economic grounds; we are determined to put an end to this odious excise duty; and as an earnest we are willing to translate that decision of ours into action." Come out with your proposal and say this is what you are prepared to do this year. That is what I want from the Finance Member. If, Sir, the Government come forward and meet us in that spirit and come with a reasonable proposal and say, "Here we are. Our finances will permit us this year to do away with the excise duty by so much," then, Sir, I shall be satisfied with that as an earnest of their intentions, and we can feel confident that the rest will come next year or the year after that. But that is what I want the Government to state.

Colonel Sir Henry Stanyon (United Provinces: European): As a Member from one of the provinces which are to benefit by the reduction of provincial contributions I have a few words to say. I think it is obvious to everybody that the desire of the House is unanimous that the provincial contributions, which have been designed upon the basis of this Budget, should not in any way be interfered with. But the desire of the House, or at all events of a very large majority of the House, is equally strong that an objectionable tax should be abolished. I do not attempt any discussion on either the political or the economic merits or demerits of that tax. More capable speakers have done that already, and will continue to do so hereafter. But here Government are confronted with what is undoubtedly the wish of the House on a matter as to which this House has the power, if it has any power at all, to express an opinion. That opinion should have the very careful consideration and, if possible, the acceptance of Government, as stated by my friend, Sir Campbell Rhodes. But the Honourable Finance Member has told us, "You cannot have your pudding and eat it. Either you must allow my Budget to stand, with its estimate of 2½ crores from the excise duty on cotton, or you must give up the award I have made, as a result of that Budget and based on it, of a

[Sir Henry Stanyon.]

reduction in the provincial contributions." My friend, Mr. Jinnah, has suggested a course of compromise—some reduction of the duty this year, without any interference with the provincial contributions. I have also a suggestion to offer which, if accepted all round, might, in a way, overcome the *impasse* which seems to have been reached. I believe that if Government gave this House, not merely a hope but a definite pledge that, from the 1st of April 1926 all receipts from the excise duty on cotton would go out of the next Budget altogether by reason of a total abolition of the duty, it would be accepted, I at all events, speaking for myself, would be prepared to recommend that the matter be settled in that way, and the present Budget be allowed to stand. (*An Honourable Member*: "An unconditional pledge.") It must be a clear, unconditional pledge that this duty, being odious to the country, will be left out of account altogether in future Budgets, whatever may be the consequences of introducing that abolition. That I think would be very much better than any attempt made by the House to introduce alternative, hasty, ill-considered taxation to replace what would be lost by the immediate abolition of the excise duty. We have heard from the Finance Member that the Standing Finance Committee have given the matter their most careful consideration and that they were unable to find any alternative to the cotton excise. It may be that next year they may again be unable to find any alternative. Well, then my submission would be, let them do without the alternative and make the best of the position, but this tax should go. In these circumstances, I think if this understanding can be reached, if Government can give that pledge and assurance, not merely a hope but a definite promise, I think that the House would be disposed to accept such an assurance.

Mr. W. S. J. Willson (Associated Chambers of Commerce: Nominated Non-Official): Sir, a somewhat sore throat prohibits my making any lengthy speech, so I will endeavour to be very brief and to the point. I have heard arguments both from the Members from one province and from the others, and I find that the Members from Bombay, where the mill industry predominates, are all in favour of the immediate reduction of the cotton excise duties. Sir, when I first came to this country I came to Bombay and in Bombay I soon became interested in and a shareholder in Bombay cotton mills, which I am to this day. When I came out it was natural that I should absorb the feeling which existed in Bombay in those days that the cotton excise duty was a scandal. I absorbed it and for many many years I believed the excise duty in Bombay was a scandal.

I took no part in the September debate, because I realised that it was rather unreal. To-day we are faced with it in what seems to me to be a very practical proposition, namely, that the Finance Member has a surplus and what is to be done with it? A year ago the position was the same. There was a surplus and the question was what was to be done with it. Owing to the unfortunate turn events took, I believe the House made a very unfortunate decision, the eventual consequence of which was such that the money we might have had last year towards provincial contributions disappeared. So far, therefore, from taking then the first available steps in the reduction of provincial contributions, we find ourselves to-day in the very first stage.

I sympathised with my friends from Bombay in feeling that the excise duty was a scandal. But, Sir, the point which is always glossed over in the House and is never to my mind sufficiently emphasised, although it was touched upon by Mr. Kasturbhai Lalbhai last September, is this.

Mr. Kasturbhai said :

He recognised that it was urged by some that whatever the case for the repeal of the excise duties, when the customs duties stood at $3\frac{1}{2}$ per cent., the raising of the import duty to 11 per cent. took the wind out of his sails.

That, Sir, is my emphatic belief. I say that of all the Chambers that I represent in this House there is not one which would not gladly see the cotton excise duty abolished. But that is from a political standpoint, because they know that a large section of Indian opinion persists in still regarding this excise duty as a scandal, but my own personal point of view, as a large share-holder in Bombay and other cotton mills, is that that scandal *was* removed when the import duty was raised to 11 per cent. The scandal is no longer there, but there is some political sore and on those grounds I would be glad to see the abolition of the duty in the interests of future peace. But, Sir, you cannot make bricks without straw and you cannot abolish a duty of Rs. 2,15,00,000 and at the same time reduce provincial contributions if the money is not there to do it. If some Honourable Members want to say that the Finance Member has the rupees, then will they kindly show during this budget debate where they are or where we are going to get them from? I will concede you a point in assuming that he has some. I still say most emphatically that he has not got Rs. 9,00,00,000 and that is the figure you want for the abolition of your provincial contributions, which, as Sir Purshotamdas Thakurdas said himself, if he really meant it, even Bombay wishes should come in first, second and last before the excise cotton duty. Mr. Ramachandra Rao, who is usually very reasonable, threw out a hint that the money might be raised by some other means of taxation. That is merely a foggy hint at the moment, because we are not considering it. I would merely remind him that two years ago when we had a deficit budget to balance, the whole of the non-official Members of this House who met in the lobby were unable to evolve any single tax which could balance the Budget. The whole combined talent of the lot of us could not produce that tax. Now he says "Put it on to other Companies." The law knows little or no difference between a company and an individual, but apart from that, my friends from Bengal have just reminded me to say that Bengal already contributes no less than Rs. 3,75,00,000 to the central revenues from the jute industry apart altogether from income-tax.. (Mr. A. Rangaswami Iyengar: "What profits does it make?") If the excise figure is not Rs. 2,15,00,000 and if Rs. 55,00,000 of it have already gone, where is the money to come from? As I said, I have listened to the provincial sides and I am myself rather in the position of a lone Member like Mr. Joshi, who has to look at the matter from the point of view of his constituents all over India. I have asked the House not to make a similar mistake to the one we made last year by cutting the ground from under our feet in regard to these provincial contributions. It is no use toying with the matter by trying to get a bit off for Bombay. Even Mr. Jinnah's 1 per cent. would cost 60 lakhs, if he means 1 per cent.

Mr. M. A. Jinnah: I never mentioned any percentage at all.

Mr. W. S. J. Willson: No. I give you the percentage. If we made it only 1 per cent. it will come to 60 lakhs, and that 60 lakhs would be reduced from the provincial contributions. (Mr. M. A. Jinnah: "Certainly not.") I say most emphatically that we should profit by the mistake we made last year and try unhesitatingly for the extinction of the provincial contributions before attempting to deal with the excise cotton duty. The scandal was, as I have already said, removed some years ago and

[Mr. W. S. J. Willson.]

that is the point I wish most emphatically to reiterate here. Sufficient importance has not been attached to it and I think it is very very largely overlooked.

Mr. Bipin Chandra Pal (Calcutta: Non-Muhammadan Urban): I have been fortunate enough, Sir, this morning to find myself for once in close and intimate association with the leader of the Swaraj Party. (Hear, hear.) Whether it will continue for long or not, remains to be seen. Now, Sir, while I was listening to this debate, I was reminded of an old story to which I had the privilege of listening personally from the lips of the late Sir Wilfred Lawson. The story is this. A man was hauled up before a sturdy and honest British jury and a judge for stealing a pig. After all the evidence was put forward and the case was proved, as conclusively as any case might possibly be proved, against the accused, the jurors brought in a unanimous verdict of not guilty. The judge was helpless; he had to let the man out. Meeting these same jurors, or some of them later on in some social function, the judge asked: "How is it gentlemen that in the face of that clear evidence, you could bring in a verdict of not guilty?" And one of the jurors scratched his head and said, "Now, Sir, the truth of it is, each one of us had a slice of that pig." And Sir Basil Blackett and my Honourable friend Sir Campbell Rhodes, and my Honourable friend Mr. Willson, and the whole host of them have this morning placed or tried to place that stolen pig in front of us, hanging a slice of that pig now before Bombay, now before Bengal, now before Madras, and asking them to vote for this iniquity of the excise duty for lure of that slice of pig. Now, Sir, it has not been a fair thing to hold out to us this temptation, or throw out this challenge, "If you do not vote for this," this is practically what Sir Basil Blackett says, "you will have none of the relief which I have promised in regard to your provincial contribution and for the building up of your national departments in the provinces." It is not fair, Sir. Either this excise duty is right or it is not. There are no three categories before me, neither when I consider the position of my Swarajist friends nor when I consider the position of the Government. There are only two categories: right and wrong, just or unjust. Is it just or is it not just; is it right or is it not right? That is the question. If this excise duty be right, I say, vote for it. If it be not right, then, pig or no pig, provincial contribution or no provincial contribution, I am bound to vote against it. That is the whole question. We have been reminded of the pledge, and the pledge is this: "As soon as finances permit this excise duty will be removed." Now the question here is, when you imposed this duty, was it for financial considerations? Was it for revenue purposes? If it was imposed for revenue purposes, this duty on our home produce, if this excise duty had been imposed for revenue purposes, then I might have accepted your plea as an honest plea when you said, when finances permit we shall repeal this duty. Finances do not as yet permit its repeal. But you did not impose it for financial reasons; you imposed it, you frankly admitted it, you imposed it with a view to equalise the chances of Manchester and our cotton mills in Bombay and elsewhere in India in the Indian market and particularly the Asiatic market. That was your ground. I have heard of that ground ever since this excise duty was imposed, and when that was your ground, it is a mere pretence to bring in financial considerations now. Excise is meant to reduce consumption. That is the universal meaning of all excise. Duties on imports and exports

are meant purely for revenue purposes except when these are protective duties. We imposed an export duty on jute. I am glad, Sir, we had an export duty on jute, and that has made us so very proud of our contribution to the general finances from Bengal to the tune of Rs. 3,75,00,000. (*Pandit Shamlal Nehru*: "You can increase the duty on jute.") When you are Finance Member I dare say you will increase it; but till then we must take things as they are. Now this export duty on jute one can understand. Even the import duty on cotton, that is imposed purely for revenue purposes, one can understand that. If you are a protectionist, and you think that an import duty on foreign piece-goods is necessary to offer protection to Indian home industry, that also is a position which one can understand. But this is different. Every yard of cotton textile produced by the Bombay mills has to be paid for by the millowner whether he is able to sell it or not. That is what I understand is the actual working of the excise duty. Now you do not do it in Manchester. Manchester is taxed only when she brings in her textiles to our shores. (*Sir Campbell Rhodes*: "It is paid by the consumer.") I thank you very much, Sir. It is paid by the consumer. I forgot that fact. And my Honourable friend Mr. Willson said that the scandal of the cotton excise duty was removed when the import duty on cotton goods was raised to 11 per cent., that is, when we paid 11 per cent. more for our cloth; (*Mr. M. A. Jinnah*: "Or the consumer paid"); then the scandal was removed. That is to say, when the poor Indian consumer is fleeced then the injustice and the scandal of a duty on his home produce in the interest of Lancashire is removed. The more you can fleece the consumer the less scandal it is for the exploiter! But the whole question seems to be very simple. The simple question is this—this excise duty of $3\frac{1}{2}$ per cent., does it or does it not fall upon the consumer? That is the question. The 11 per cent. falls upon the consumer and this excise duty of $3\frac{1}{2}$ per cent. does it fall upon Sir Campbell Rhodes or Mr. Willson and his Chambers of Commerce? Does it fall upon the jute kings of Bengal or the coal kings of Bihar and Orissa? It falls upon the poor consumer. (*The Honourable Sir Basil Blackett*: "No, no.") When doctors disagree, when there are so many wise economists on both sides—here is one expert economist who says it falls on the consumer; there is another expert economist who says it does not fall on the consumer, I do not know what to think (*Mr. K. Ahmed*: "The patient must die.") Like some coffin it hangs between heaven and earth and falls on nobody. Now, Sir, the whole question is this. Are we going to be lured by Sir Basil Blackett's slice of pig and refuse to vote for this motion in the hope of financial relief to the provinces, or rather out of fear of losing our provincial relief? I do not see why we should lose our provincial relief. That is a promise, I hope it is a pledge. It is an I. O. U. which you give to the House (*The Honourable Sir Basil Blackett*: "No, it is a recommendation to this House.") Yes, and this House has already accepted your recommendation with thanks and they will have all that money you are prepared to pay to Bengal and the other provinces. At the same time, we want you, Sir, to find ways and means to give us relief in the matter of this excise duty also. I will not emulate my Honourable friend Mr. Patel, (*Mr. Jamnadas Mehta*: "You cannot") and follow him into the mazes of figures and statistics and economics. It is not my duty; I am not paid for it; you, Sir, are paid for making the revenue and the expenditure balance. (Laughter.) And it is for you to find out how you are going to meet these two crores and odd to remove this excise duty; you and the Benches behind you there are paid for it [*Mr. Gaya Prasad Singh*: "Not all the benches, Sir." (Laughter)].

[Mr. Bipin Chandra Pal.].

One word more, Sir. My friend, Sir Campbell Rhodes, referred those who support this motion and the Bombay millowners to the Tariff Board. If the Bombay millowners were out to ask for protection from the Government they would have gone to the Tariff Board; they do not ask for protection (*Sir Campbell Rhodes*: "Because they have got it")—Because of the excise duty? Well, that is a conundrum for economists to solve: how excise duty affords protection to the industry to which that duty is charged.

Now, Sir, I am not a millowner. I hope I shall never be one and I hope none of those who are coming after me will have anything to do with the ownership of mills and industries. So I have no partiality for the mill industry. I have rather a complaint against the Bombay millowners. I know what they are. They are very amiable when they have to do their business with you; when they find you are in their grip, then you know they are, like all the industrialists, all the world over. I know, Sir, that the Bombay millowners are responsible for killing the boycott movement in Bengal. While we tried our best to revitalise the cotton industry of this country they put up their prices. When we were making all sorts of sacrifices with a view to oust Manchester and Lancashire from India, they put up their prices and tried to make hay while the boycott shone. That was what they were doing, and I am not sorry that for that sin of theirs they have had to suffer all these years and they have to suffer even now. But I think in future they will be careful about profiteering and try to help those who are helping them to-day.

The Honourable Sir Alexander Muddiman (Home Member): Sir, into the merits of the Act which is being so hotly debated I do not propose to enter. I desire to put for the consideration of the House a point directly relevant to the motion before it from the constitutional point of view. We are considering an amendment which will cut away all provision for the payment of the establishment for the collection of the excise duty. Whether that is a good or a bad duty, I do not propose to express an opinion. It is at any rate a tax imposed by Statute and this House is now asked totally to reject the establishment that collects the tax. (*Mr. V. J. Patel*: "Grievances before supplies.") The result of that is in effect, if the amendment were to be carried, to repeal the Act, because if you have not got the machinery you obviously cannot collect the tax. It is in effect a repeal of the Act. Now, this is one of those Acts which under our constitution is protected by special provisions. It is protected by special provisions. It is protected by section 67 (2) of the Government of India Act. No private Member could intro-

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duce a Bill without sanction to repeal this Act. I would therefore suggest to the House that in endeavouring to attain its object, it should do so with due regard to the constitutional position. I would also suggest to this House that in enforcing on the Government its views, its very strongly expressed views, in relation to this tax, it would do so with greater regard to the constitutional position and with equal efficacy if it passes a vote for reducing the establishment charges. The passing of an amendment taking away the whole of the establishment is, as I have said, in effect to repeal the Act. Unless, therefore, the Government are prepared to repeal the Act, this provision must be restored. That is the point that I wish to mention. Now, is it wise, is it sound, to create a position of that kind from the constitutional point of

view? (*A Voice*: "Why not?"). Well, that is a matter I submit for the consideration of this House. No doubt, it is not for me to dictate to the House and I know the House is at times impatient of advice. I merely wish to put a definite point of view for the consideration of Honourable Members. The constitutional position is a circumstance which Honourable Members of this House should consider before they proceed to vote on this motion.

As I have said, Sir, if this motion for total reduction is carried, it is in effect a repeal of the Act. Now is this a right exercise of power? What do you expect to gain? What virtue is there in carrying a motion of that kind? You will get to this position, that you are proceeding to force on the Executive Government a reduction regarding which they can have one and only one course. You would have registered your protest with equal, I may say with greater effect, if you had adopted the course which I venture to suggest is the proper one in the circumstances.

Pandit Motilal Nehru: May I ask for your ruling, Sir, whether the constitutional point raised by my learned friend is correct? He says it is not a constitutional course for us to move this motion and to make a cut because it will have the ultimate effect of repealing an Act. I submit, Sir, that no constitutional difficulty arises on the question at issue. On the contrary, the motion that is made is a perfectly constitutional one. I think that, even if it went to the length of throwing out the whole Budget, it would be quite constitutional.

Mr. President: The question of constitutional practice is not one on which I can pronounce an opinion. That depends upon the interpretation of the section of the Act to which the Honourable the Home Member has referred. Fortunately, I am not the interpreter of that Act in that respect.

Mr. M. Webb (Bombay: Nominated Official): Sir, I rise on behalf of the Government of Bombay to associate them with the request for the abolition of the cotton excise (Hear, hear), and to state that they desire to impress very strongly on this House and on the Government of India the necessity for the abolition of the duty, because it is their considered opinion that it is a heavy and unfair burden on a very important industry and is likely to lead to very serious industrial unrest. Mr. Joshi has just stated that he has heard of a threat on the part of the Bombay millowners to reduce wages, and so it is hardly necessary for me to enlarge on the prospects of industrial unrest in Bombay. That, Sir, is the position of my Government.

On my own behalf, I should like to lay a few considerations before the House which appear to me to apply to the case. The immediate effect of the abolition of the cotton excise duty would be, as the Honourable the Finance Member has estimated, a loss to Government of revenue to the extent of 215 lakhs. As the House has gathered from Mr. Bipin Chandra Pal, there is a good deal of dispute as to who should collar the loot, but whoever it is, I venture to think that the people of India will benefit considerably. (Hear, hear). It may be that the Bombay millowners will intercept the spoil before it reaches the consumers. If they do it will help the industry through a very difficult time and will materially increase the prosperity of the industrial population of Bombay. If, on the other hand,

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the benefit is passed on to the consumer, the tax-payer of India, who in my own Presidency is more heavily taxed than in others, will benefit to the extent by which the prices are reduced. The depression of the cotton industry in Bombay is very fairly reflected in the figures of super-tax and income-tax contained in the Explanatory Memorandum by the Finance Secretary. The actuals of super-tax in Bombay in 1921-22 were Rs. 3,80,00,000. They are estimated in the revised estimates for 1924-25 to be Rs. 1,30,00,000. That is they have gone down by two-thirds. Of income-tax actuals in 1921-22 the figures were Rs. 5,59,00,000. The revised estimates in 1924-25 show Rs. 3,17,00,000. They also have gone down by over a third. If the effect is, as the Government of Bombay anticipate, to restore a certain measure of prosperity to the cotton industry in Bombay, I think it may be fairly said that the Government of India will in future get back a fair proportion of what they lose in cotton excise in the form of taxes on income. If, however, the Government of India find it impossible for financial reasons to abolish the duty entirely, I would still associate myself with Mr. Jinnah in proposing that some practical steps should be taken to reduce it and thereby to give an earnest instead of a mere verbal expression of their approval of the principle of abolition in the future. This would show definitely that they approved the principle of abolition and would pave the way to the final abolition of the tax in the not too distant future.

Mr. K. Rama Aiyangar: Sir, I only want that the points raised by the Honourable Sir Basil Blackett and the Honourable Sir Alexander Muddiman should not be allowed to continue to exist against the motion because Mr. Kasturbhai Lalbhai's Resolution says that "the cotton excise duty be omitted", so that that has been taken advantage of by the Honourable Sir Basil Blackett for the view he has put before us. However, Pandit Motilal Nehru's motion runs like this:

"That the Demand under the head 'Customs' be reduced by Rs. 79,300."

No doubt it was pointed out by the Honourable Sir Basil Blackett that that was intended to cover the excess money that had been spent on such establishments elsewhere also. But the motion is such that the wording could be construed merely as a motion of censure against the Government. The wording is sufficiently wide to give scope to the Honourable Sir Basil Blackett to only reduce the 75 lakhs balance by one lakh or less than a lakh and actually find some other method of finding the money. That is the object of the motion before the House. So that, if the wording of Pandit Motilal Nehru's motion is moved instead of Seth Kasturbhai Lalbhai's and the clear explanation that I have placed before the House is given, it will be seen that the amount Rs. 79 thousand and odd is not meant to be applied to the abolition of establishments.

Mr. V. J. Patel: May I rise to a point of order, Sir. Pandit Motilal Nehru has made it perfectly clear that his amendment applies to the abolition of the establishments both in Bombay and the Central Provinces.

Mr. K. Rama Aiyangar: My Honourable friend, Mr. Patel, falls into the same error which has been exposed by the Honourable Sir Basil Blackett with great force. In fact, Sir Basil Blackett explained that you are involving not only the Bombay excise establishment but also the Central

Provinces excise establishment, so that immediately these go the fight will be between those provinces which are benefitting by the remission of provincial contributions and Bombay

Pandit Motilal Nehru: May I interrupt my Honourable friend for one moment? I think I am more competent to explain my own meaning and my own intention than my Honourable friend. I have made it clear that I mean to cut the excise establishment in the Central Provinces and in Bombay. I do mean a general cut.

Mr. K. Rama Aiyangar: Then I have to say that I oppose the motion, and I would ask my Honourable friend from the other provinces also to agree to oppose this motion for the reason that the effect of carrying the motion as it is would mean that you want the Rs. 2½ crores to be immediately taken away from the Government of India, and tell the provinces that they shall not have any remission of provincial contributions and that the abolition of the cotton excise duty is to be the first charge upon the revenues of the Central Government. (*Voices:* "No.") You may hold your own views. I hold mine, and I think it is patent that you are falling into an error. There is nothing wrong in your adopting the course suggested that the amount referred to in the motion should not be treated as the amount available for the excise establishment in these provinces but as a general cut for the purpose of enforcing our view on the Government that they must find funds for the abolition of this duty. I do not approve of Sir Basil Blackett's statement that he cannot find funds. In fact, I am going to show when the time comes that he has got much more money than he wants. I am quite clear on that. But I do not want to give a handle to Government. If you say that the motion refers to the provision for the excise establishment in those two provinces, there will be trouble, and I do not want that the House should give a loophole to the Government. I beg of my Honourable friends to reconsider the position because I feel that if you pass the motion as it is the Assembly will be stultifying itself.

The Honourable Sir Basil Blackett: May I just say a word on that point? It is desirable that I should point out that this is a motion to cut a definite figure out of a particular place in the estimates and I think under any system of appropriation, when there is a vote of the House, which cuts a particular sum out of the estimates in order to cut out a particular establishment, the Government are bound either to respect the will of the House by getting rid of that establishment or to use their constitutional powers of restoring it. They cannot regard it as a general cut.

Mr. Chaman Lall: I move that the question be now put.

Mr. Devaki Prasad Sinha (Chota Nagpur Division: Non-Muhammadan): A few minutes back we have heard a suggestion from the Honourable Leader of the Independent Party that a gesture should be shown in this direction by reducing the excise duty even nominally. Sir, we have heard of gestures in political actions, but gestures when they enter the field of economics are really very dangerous. Rs. 60 lakhs to be taken out of the taxpayer's money and to go where? Not to relieve the distress of the consumers but to fill the pockets of those whose pockets are already full! Whatever justification there may be for the entire abolition of the cotton excise duty either on political grounds or on grounds of public finance, what justification is there I ask for claiming a nominal reduction merely by way of gesture? I can understand the argument against the existence of the excise duties.

[Mr. Devaki Prasad Sinha.]

based partly upon political reasons and partly upon economic reasons, but I confess I entirely fail to understand the suggestion that my Honourable friend Mr. Jinnah has put forward and which has been supported by the representatives of the Government of Bombay. I understand this motion is a protest against the Government not carrying out the recommendations contained in a Resolution passed in Simla. Well, Sir, whatever view I may hold regarding the cotton excise duty I think that for more reasons than one it would not be possible for me to oppose it. But, Sir, if I have been able to understand the purpose of those who are very anxious for the abolition of the excise duty, it is mainly to remove a tax the incidence of which is economically unsound, because it is tax on production and not a tax on profits. Well, Sir, if its incidence is unsound its chief objection ought to come from consumers and the relief which a remission of this duty ought to give should go to the consumers. I ask, Sir, is this the purpose which we are going to achieve by merely recommending a complete abolition of our cotton excise duty? Is it not a fact that the price of cotton cloth is regulated considerably if not entirely by the price of imported cotton articles which constitute nearly 60 per cent. of the total consumption of Indian piece-goods in India? Sir, if the cotton excise duty is inequitable then the consumers are the first persons who ought to get relief in this direction and if that relief has to come it will come by an abolition of the cotton excise duty side by side with a reduction of the import duty on cotton piece-goods corresponding to the amount of the cotton excise duty. Well, Sir, I support this motion for reduction because it is meant to wipe out a tax which is a tax on production. but I support it entirely on this condition that the benefits arising out of the remission of this taxation ought to go to the consumers and that benefit to my mind can only be derived by them, by reducing the corresponding sum from the import duty on cotton piece-goods. I know there is a very strong political feeling in favour of this Resolution and I also know that a very strong agitation has been worked up by certain people who are interested in the abolition of the cotton excise duty. I do not blame any Honourable Member who sits in this House, but I feel alarmed when I find that a certain section of business men in season and out of season exploit the patriotic feelings of Members of this Assembly and want to get benefits out of the Members of the Assembly which really they do not deserve.

Pandit Shamlal Nehru: None of them have come to me.

Mr. Devaki Prasad Sinha: My Honourable friend is one of those lucky few whom very few people can approach, but, Sir, most of us have been flooded with literature which apparently cost something and I feel . . .

Mr. A. Rangaswami Iyengar: May I know, Sir, if the question of the import duty on foreign cloth is now before us?

Mr. Devaki Prasad Sinha: I am much obliged to my Honourable friend for having reminded me but I hope, Sir, I am not out of order in referring to how the feeling in favour of a motion like this is being worked up. Sir, I know that capitalists are adepts in the art of making their economic necessities appear as moral virtues. Well, Sir, I entirely agree that the history of this tax is a dark history, that it was bad in its origin and it continued to be bad for a long time. But Sir, if we go through that

history we will find that the objection lay chiefly in the fact that it placed the manufacturers in Lancashire and manufacturers in India on the same footing. As has been pointed out by some Honourable Members of this House the difference that exists in the amount of the excise duty and the amount of duty imposed upon imported cotton goods actually does give protection to the cotton manufacturers of India. Therefore the historical objection has vanished though the taint of history still remains. Well, Sir; it is an old saying in public finance that an old tax is a good tax and a new tax is a bad tax, and a new tax when it becomes old becomes also a good tax. This tax has existed for such a long time that the cotton manufacturers in India have naturally adjusted themselves to this difficulty. Therefore while we are considering the advantage or the disadvantages of this tax to-day, we should not be guided merely by facts contained in the political history of this tax, but we should also take into consideration the effect that it would produce upon the finances of the country at the present time. Well, Sir, it has been said by the Honourable Mover of this motion that the cotton manufacturers of Bombay and Cawnpore are alarmed by the increasing competition of Japan. Well, Sir, the advantage which Japan derives from this competition has been attributed to Japan's exploitation of labour, particularly of women labourers. The report of the Indian Industrial Commission and particularly the report of the Honourable Pandit Madan Mohan Malaviya says that Japan has other advantages too. The Japanese industries are more up to date than the industries of our country; and here in India our Indian manufacturers have been trying to compete with cotton industries in Japan and in England with machines that are out of date, and with methods of work that are really uneconomic. Well, Sir, I do not know why our Indian manufacturers always suffer in competition with Japan. Evidently the prices at which cotton goods sell in India are prices which give some profit to Japan, although their goods have to come from a very long distance. Here let us suppose, Sir, that this duty is abolished to-day. Let us also suppose that my suggestion for reducing the cotton import duty to the same extent as the excise duty is not carried into effect. What will the result be? The result will be that the price of cotton goods in India would remain the same as it was last year. Another result would be that Japan would still find it a profitable business to sell its articles in India and our friends the cotton manufacturers of India would still find themselves in difficulty in competing successfully with Japan. Would they then suggest that here in India in the name of protecting a national industry they should be allowed to exploit their labourers in the same way as the Japanese are exploiting their labourers? Sir, that this insinuation is not merely supposititious can be seen from a representation which was made by the millowners of Bombay to the Government of India. Here is an extract from that representation:

"The committee trusts in Government to give a definite assurance that in future they would not attempt a ratification of any of the Conventions which would directly or indirectly increase the cost of production in the Indian cotton industry unless Japan has previously ratified such Convention and introduced the necessary legislation."

Therefore, Sir, our apprehension is that even if we remove the cotton excise duty, the manufacturers of Bombay would be unable to combat successfully the competition of Japan, and their next prayer and their next canvassing for votes in the Legislative Assembly would be for suspending the ratification of those Conventions of the International Labour Conference

[Mr. Devaki Prasad Sinha.]

by which the Government of India are in honour bound. Well, Sir, we know, that what our friend, the Mover of this motion, is anxious for is to reduce the cost of cotton goods. Sir, if the cost of cotton goods that are sold in the Indian market has got to be reduced, how is that going to improve the financial position of the millowners in Bombay? I believe, Sir, that the whole of this complaint of want of facilities for manufacturing cotton in India is a bugbear placed before the country in order to frighten Members of this Assembly who are actuated by patriotic ideas. If we examine the figures of the excise duty collected during the last three years, we shall find that there is a continuous rise. In the year 1923-24 the amount was 1 crore 56 lakhs. In 1924-25 the amount was 2 crores 10 lakhs, and in 1925-26 the amount is estimated to be 2 crores 15 lakhs. In the face of these figures, how can anybody say that the cotton manufacturers of India are in danger of going to the wall? I submit, Sir, that if they go to the wall, they will suffer not for the sins of their countrymen but for their own sins. We have in this Assembly received repeated proposals for granting protection to Indian industries. The Honourable Mover of the motion in his Budget speech described the cotton industry in India as a great national industry. I will retort by saying that it is neither great nor is it national, and it is very doubtful whether it is a well organised industry at all. Sir, we have to look at this problem not merely from the point of view of sentiment. We ought not to be carried away by the past history of this tax, but we have to examine its effects upon the tax-payer. If it should at all reduce the price, if it makes it possible for the poor peasants in my province and of the province of the Punjab to obtain cloth at a rate cheaper than what prevails to-day, I shall be the first man to support it; and my support for this motion is only conditional upon taking the other necessary step for reducing the price of cotton goods that are sold in India, and that step, the only step I submit, is the reduction in the cotton import duty by an amount similar to that which represents the cotton excise duty.

An Honourable Member: I move that the question be now put.

Mr. Gaya Prasad Singh (Tirhut Division: Non-Muhammadian): Sir, as I come from the same province, Bihar and Orissa, I will say one word . . .

Mr. President: Maulvi Abul Kasem.

Maulvi Abul Kasem (Bengal: Nominated Non-Official): Sir, I rise to support the motion now before the House, but I do it not in an unqualified manner. I, Sir, shall speak not on the political or the financial or the economic aspect of it. Better men have done so. I want to speak, as the phrase goes, like the man in the street. I say, Sir, that this cotton duty has to be abolished and abolished as early as possible, and I say so in the interests of the poor consumer. But I must qualify my support by saying, like my friend from Bihar and Orissa, that the consumer can never have the advantage of a portion of this excise duty unless and until the import duty on cheap cotton piece-goods is also comparatively reduced, because in that case alone will the consumer benefit. I feel, Sir, that ordinary cloth is as much a necessity of life to a human being as food itself, and it is the duty of Government to facilitate the sale and purchase of these necessities of life at the cheapest possible rates. And there should not be any obstacle in the way of reducing the prices of those commodities which are essentially necessary for the poorer people.

Then, Sir, I regret that in this discussion a little heat was introduced from all sides, and we have been told that if this excise duty has to be abolished then the provinces must forego the remission of their Provincial contributions. I am sorry, Sir, that this has been done and I agree with Sir Purshotamdas Thakurdas that it was not right to introduce provincial jealousies in considering this question. The question has to be considered on its own merits. The principle that the cotton excise duty was bad has been accepted, but a pious acceptance of a principle and practical steps being taken to give effect to it are two different things, and I want that pious opinion expressed and repeated time after time should now be given effect to. I am sorry, Sir, that the learned Mover of this motion has put a large figure and I am afraid that if that is given effect to, there may be some difficulty in the way of the arrangement as it stands, and it will not be practical. I am neither a financier nor an expert in Government business, but I am afraid that if it is done it may create difficulties and that even if this House rejects, some portion of it will have to be restored. But at any rate I hope the Government will take note of the fact that there is a strong opinion in this House that the cotton excise duty should be abolished. My friend Mr. Devaki Prasad Sinha said that at the same time import duty should be reduced. Unless that is done the consumer will not be benefited. It has been asked whether this $3\frac{1}{2}$ per cent. excise duty is paid by the consumer or by the millowner. I say that the consumer has to pay much more than the $3\frac{1}{2}$ per cent. excise duty that is levied because the consumer has got to pay both for the $3\frac{1}{2}$ per cent. excise duty and the 11 per cent. import duty, whereas the State takes altogether $7\frac{1}{2}$ per cent. if you take it that 50 per cent. of the cotton is imported and 50 per cent. is of local manufacture and the consumer has to pay $11\frac{1}{2}$ per cent. So, that is the situation. In order to relieve the consumer I think the excise duty should be abolished and the import duty reduced, so that it may reach every individual and more particularly the poorer sections. We have been told, Sir, that there is great economic unrest and that the economic unrest is of more grave a character than the political unrest. If you want to remove that economic unrest, the first step you ought to take is to make available to the people their necessities of life at the cheapest possible price wherever the article is found available in the world.

The Honourable Sir Charles Innes (Commerce Member): Sir, I had not intended to intervene in this debate at all, but I must just say a few words with reference to the speeches of the Honourable Member behind me and of Maulvi Abul Kasem. Both Honourable Members have made it clear that their vote in support of Mr. Kasturbhai Lalbhai's motion is conditional upon an equivalent reduction being made in the import duty on foreign cloth. They both say that they will not agree merely to the abolition of the excise duty, because that would not help the consumer. Now, the point I wish to make clear is this, that we on the Government Benches cannot hold out any hope whatsoever that if this motion is passed and if the excise duty were taken off, we should be able to go further and make a reduction of $3\frac{1}{2}$ per cent. in the import duty on cloth. We cannot do it because that further reduction would cost the Government another 180 lakhs of rupees. I agree that, if we look into this matter purely from an economic point of view and if we do not take protectionist considerations into account at all and if we are to take off the excise duty, we should go further and reduce the import duty to an equivalent extent. That is the only way in which by this action of yours you would

[Sir Charles Innes.]

help the consumer in India. I know that I have been challenged for the statement I made on this subject in September last. But it is impossible to dispute what is an economic fact. This excise duty—I am sorry Mr. Bipin Chandra Pal is not here—falls upon the producer who is, however, able to meet it from the enhanced price that he obtains for his goods owing to the duty upon imported cloth. Therefore, if you leave the duty on imported cloth where it is at present and if you take off the excise duty, the millowners of Bombay and the cotton trade generally will still be able to get that enhanced price. Perhaps Sir Purshotamdas Thakurdas will explain to me why it is that the millowners at the present time are complaining so much of the competition with Japan? What is the meaning of their complaint? It means that they have to sell their goods at such a price which will compete with the price of the imported goods from Japan. If we take off this cotton excise duty they will still sell their goods at such a price which will be just below the price of the imported goods from Japan. That is the point I wish to make. As Mr. Cocke remarked, the consumer may get just that fraction off which will enable the cotton trade in Bombay just to undersell the imported goods from Japan. But the greater part of the benefit of this reduction of the cotton excise duty must and will go to the cotton trade itself. Sir Purshotamdas Thakurdas said that Sir Campbell Rhodes has not referred to the criticisms made by the Bombay millowners on my speech of September last. I have got that book here. In this book 62 pages have been devoted to the history of the cotton excise duty and only about 20 pages to an examination of my speech. Further, Sir, I must confess that I am not very greatly impressed by this critical analysis of the speech which I made. To begin with the millowners' very first remark is:

“Another point which strikes the reader on studying the speech of Sir Charles Innes is that it concerns not so much the Resolution being debated at the time but a claim for protection made by the Bombay Millowners' Association.”

Then it goes on to suggest that I deliberately meant to mislead the Assembly. But the Resolution that we were discussing at the time contained a request to the Government to direct the Tariff Board to consider the question of protection for the mill industry. Then, again, Sir, in this book an attempt is made to controvert my statement that the taking off of this cotton excise duty would not help the consumer. The statement is as follows:

“The reliability of Sir Charles' statement may be judged from the fact that at the present time contracts for the sale of piece-goods for future delivery are being negotiated which provide for delivery at a lower price in the event of the Excise Duty being abolished.”

We all know the text “Cast your bread on the waters and it will return to you after many days”. There is another very common expression about throwing a sprat to catch a whale. It is true no doubt that the contracts made in the last few months for deliveries make this proviso. It may help the dealers but it will not help the consumer. The price of this cloth will still continue to be governed by the price at which imported cloth is sold in Bombay. That is to say, the small imports from Japan will continue to raise the price of the Bombay piece-goods. I showed in my speech in September that the competition now-a-days is not

between Lancashire and Bombay. The competition now-a-days is between Japan and Bombay. I gave figures to show, and those figures have never been challenged anywhere, that in so far as Bombay and Japan come in competition, Bombay supplies 93 per cent. and Japan supplies 7 per cent., and I say that that small 7 per cent. coming from Japan is the factor which regulates the price for the Bombay millowner, and whether you take off this excise duty or whether you do not, the price which the Bombay millowner and the millowner in India will continue to get will continue to be regulated by the price at which that small proportion of cloth comes in from Japan. We have been told that the mill industry in Bombay is in a critical position, and it has been suggested that this excise duty is the cause of that critical position. As Mr. Devaki Prasad Sinha pointed out, that excise duty has been in force for 30 years. The mill industry have had time to adjust themselves to it. They have passed through their ups and downs just like any other industry. At present they are having what I may call one of their downs, but surely it is carrying matters a bit far to say that what has caused this state of depression, what is rendering that depression even a little more acute, is this cotton excise duty. Every one who knows anything about it can tell you what the cause of the depression in the cotton trade is. The cause is this. The war checked imports of cloth into India. The consequence was that the Bombay mill industry, the mill industry,—I apologise for always saying Bombay—(Sir Purshotandas Thakurdas: "I am very glad you have got rid of Bombay now"), got the business more and more into their control. Imports dropped considerably by 1917-18. Imports which in 1913-14 had been 3,197 million yards of piece-goods, dropped by half. As to the price of raw cotton, taking the figure of 1913-14 to be the index figure of 100, by 1917-18 the price of raw cotton had risen to 172. It had risen by 72 per cent. The price of longcloth and the price of *chaddars* had risen by 93 per cent. and 73 per cent. respectively.

Mr. Kasturbhai Lalbhai: Sir, I rise to a point of order. I was not allowed to discuss the competition between Japan and India. The Honourable Sir Charles Innes is just giving figures by which he is trying to prove. . . .

The Honourable Sir Charles Innes: Sir, I understand that what we are really discussing to-day is whether or not the cotton excise duty should be taken off. The Honourable Member proposes that the excise duty should be taken off because he is asking the Government not to have any establishment for the collection thereof. I am endeavouring to show that his statement that the fact that the mill industry at the present moment is in a critical position is due to this excise duty is in no way correct. In 1918 imports dropped further to 1,123 million yards. The price of cotton had risen by 135 per cent. The price of cloth had risen by 188 per cent. and the price of *chaddars* by 161 per cent. In 1920-21 a break came. The price of cotton dropped to 131, that is to say an increase of only 31 per cent. over the figures of 1913-14, but the price of longcloth remained up at 186 per cent. in excess of what it was in 1913-14. The price of *chaddars* was 165 per cent. in excess of what it was in 1914. That is why they got these attractive profits in those years.

Mr. H. G. Cocke: Does the Honourable Member mean it rose by 165 per cent? He started by taking an index figure of 100.

The Honourable Sir Charles Innes: Yes, 186 per cent.; the increase in the price of cloth was 186 per cent., taking 100 as your index figure. (Full statement printed below.)

And since then this is what has happened. The price of cotton has slowly been rising. At the same time the mill industry in India has been faced with heavy additional expenditure on account of its labour; and, owing to imports beginning to come in in larger quantities, the price of cloth is slowly going down. And that is why for the moment the mill industry is in a bad way. I sincerely hope it is only temporarily. I am not criticising the mill industry. I have not the slightest intention of doing so; but that is the true explanation of what Mr. Kasturbhai Lalbhai called the critical condition of the mill industry. It has nothing whatsoever to do with this small excise duty.

Now let me just go back for one moment to the debate in September. In September, though I could not say so, I had an inkling of what the position would be to-day, I had an idea that the House might be faced with the dilemma with which it is faced to-day. I thought that we might have a surplus and I knew it would be for the Government and the House to decide how that surplus should be disposed of. On the one hand, we have that pledge of Lord Hardinge's, and not one of us would like to go back on it, that as soon as financial considerations permit the excise duty would be removed (*Mr. M. A. Jinnah*: "When will that be?") On the other hand, we have got this other pledge, an obligation which has been laid upon us by the Joint Select Committee's Report and by the speeches of many members of the Government, namely, that our finances must be ordered towards a reduction of the provincial contributions. I knew that we and the House would be faced with that difficulty and I knew that we would have to choose between the two; and that is why in my speech of September last I endeavoured to balance the considerations. I gave the fullest possible weight to the sentiment, which Sir Purshotamdas Thakurdas, if I may say so, has given such eloquent expression to,—the sentiment which India feels against this tax because of its history and its associations. On the other hand, there has been a change in the situation of recent years owing to the fact that the duty is no longer a countervailing

Statement of Index figures of prices of (a) raw cotton M. G. F. G. Broach, Bombay and (b) certain kinds of Indian made cloth, taking the average prices of 1913-14 as 100.

—	Total Imports of piecegoods in millions of yards.	Price of raw cotton per candy.	Price per lb. of longcloth 36" x 37½ yds.—9½ lbs.	Price per lb. of chaddars 54" x 6 yds.—2½ lbs.
1913-14 *	3,197	100	100	100
1917-18	1,556	172	169	173
1918-19	1,123	235	258	261
1919-20	1,081	179	265	251
1920-21	1,810	181	266	272
1921-22	1,080	152	253	242
1922-23	1,593	161	241	229
April 1923 . . . . .	...	173	220	200
" 1924 . . . . .	...	197	229	208
February 1925 . . . . .	...	186	201	195

duty. There is a difference of $7\frac{1}{2}$ per cent. between the import duty and the excise duty. And now it seems to me that we are robust enough in these days to look at this matter quite dispassionately, to attach the fullest possible weight to all the objections which for historical reasons we take against this tax but at the same time to look at the matter in the light of what we must consider the interests of India as a whole. That is what we have to do and when we made the proposal in Sir Basil Blackett's speech we had definitely arrived at the conclusion that the proper course for us to take in regard to the money available was to use it for the reduction of provincial contributions. I am glad to see that every Member of this House has endorsed that decision. But unfortunately they will not stop there. We had from my Honourable friend Mr. Patel a good example of what I may call "frenzied finance". Mr. Patel has got an even greater admiration for Sir Basil Blackett than I have myself, and that is saying a lot. We all of us regard Sir Basil Blackett as an exceptionally able Finance Member. Mr. Patel goes further. He regards him as a financial wizard, a man who can bring crores out of his pocket in the same way as a conjuror brings rabbits out of a hat. But that is not the way for us to consider a problem of this kind. The money is not there. It does no good to say that we can find it, if we tax somebody else—or if we raid our sinking funds. I am afraid we are up against a real dilemma and it is for the House to decide whether or not the money is to go towards the reduction of provincial contributions or whether it is. . . . (Diwan Bahadur T. Rangachariar: "What about a graduated reduction?") That is a matter with which I am not at present concerned. In that view I hope the House will not accept this Resolution of Mr. Kasturbhai Lalbhai. His motion, I venture to think, is a bad motion. It is a motion which tries to force a Resolution upon the Government of India. Now a Resolution is merely a recommendation to the Governor General in Council. It is for us to consider such Resolutions and we consider them most carefully; but when Mr. Kasturbhai Lalbhai says, "We will force you to accept this Resolution because we shall cut away the establishment required for the collection of this tax", the only answer that can be given to a threat of that kind is to refer to the provisions of section 67-A (7) of the Government of India Act.

Mr. A. Rangaswami Iyengar: I move, Sir, that the question be now put.

Mr. M. A. Jinnah: I would like to know, Sir, what the Government have got to say, before we are called upon to vote, with regard to the proposal I made. Are the Government going to consider this question or are they not, whether in this connection they are prepared this year to make some provision—(Diwan Bahadur T. Rangachariar: "Some beginning")—some beginning and give us practical proof of that beginning?

The Honourable Sir Basil Blackett: Sir, the Government will be in duty bound to consider with the utmost care every suggestion that has been made during the course of this debate. We are often accused of riding roughshod over this Assembly, but I can assure this House that every debate and every expression of opinion is very carefully considered. Mr. Jinnah has made a suggestion, which is undoubtedly an interesting suggestion, that the Government should endeavour to meet the wishes of this House by making what has been called a gesture or an earnest of their intention to carry out Lord Hardinge's pledge by making a beginning this

[Sir Basil Blackett.]

year of a reduction of the cotton excise duty. A suggestion for alternative taxation in order to do it has been put forward; other suggestions have been made. The Government will of course very anxiously consider these suggestions; and I do regret very much that the House should be going to divide on a motion of this sort, and, if it carries it, as I said before, should be voting for something which it by general consent does not desire, namely, the reduction of the amount we have set aside for the provincial contributions, and voting at the same time for something which without such reduction of the amount set aside for the provincial contribution is impossible, namely, the complete abolition of the excise duty. I do regret that the House should be in that position. I cannot say more on behalf of Government than that we are most anxious to consider very carefully every word that has been said on this subject to-day.

Mr. M. A. Jinnah: Do you want a division or do you want time? That is my question really.

The Honourable Sir Basil Blackett: If the Honourable Member wishes to propose that the vote be not now put or that it should be adjourned, this is not a case in which I could make any such motion on behalf of Government; but if it is made, it is not one which we should object to.

Diwan Bahadur T. Rangachariar: Will you use it?

The Honourable Sir Basil Blackett: Obviously we shall have to use it.

Khan Bahadur W. M. Hussainally: May I know, Sir, if the debate is adjourned till to-morrow, whether there is any chance of any agreement being arrived at? (*Cries of "No".*)

Pandit Madan Mohan Malaviya: I beg to move, Sir, that this debate stand adjourned to enable the Government and the House to consider (*Cries of "No" and "Yes"*) where we stand, after the many other amendments of which notice has been given have been disposed of. I expect, Sir, that when the many amendments of which notice has been given have been considered and disposed of, we shall be able to show to the Government that by possible reductions the amount needed to abolish the cotton excise duty can be found, and I think it will be fair to them and to us that the final voting on this motion should be adjourned in order that those of us who believe that it is possible to reduce some charges in the present Budget in order to carry out the wishes, practically the unanimous wishes of this House, on the question of the abolition of the excise duty, might be able to show this. If we vote now, strong considerations have been put forward which require to be taken into account. On the other hand, there is a very strong feeling in many of us,—and I share that feeling to the full,—that this cotton excise duty should be abolished outright. I also share the conviction with several other friends that it is possible, when the amendments of which we have given notice have been discussed, that the Government will find themselves in a position to make such reductions in the Budget that they will be able to carry out the wishes of the Assembly in the matter of the cotton excise duty. Particularly,

Sir, for this reason I suggest that this matter do stand adjourned until the last day for the discussion of the motions for reduction. (Some Honourable Members: "Thursday"). It may be Thursday.

Mr. President: The question is that this debate be adjourned till Thursday, the 12th.

(Some Honourable Members: "No, no.")

Pandit Motilal Nehru: I am sorry to differ from my Honourable friend Pandit Madan Mohan Malaviya. I do not think any useful object will be served by the postponement of the vote on this motion. The motion now before the House stands on an entirely different footing from all other motions that will come before the House from time to time during this week or the next. The decision on this question, I submit, on the grounds which I have put before the House does not depend upon any of the considerations which my Honourable friend Pandit Madan Mohan Malaviya has mentioned. It must be decided on its own merits. For these reasons, Sir, I object very strongly to the adjournment.

The Honourable Sir Alexander Muddiman: Sir, on behalf of Government, I will not oppose the motion, but I wish to make it clear that in doing so I commit Government to nothing.

Mr. President: The question is:

"That this debate be now adjourned till Thursday, the 12th March."

I think the Noes have it.

(On Mr. Gaya Prasad Singh saying repeatedly "the Noes have it".)

The Honourable Member from Bihar and Orissa has been long enough in this House to know that when the Chair says "I think the Noes have it", unless he wishes to claim that the Ayes have it, he should remain silent.

The original question was:

"That a sum not exceeding Rs. 71,66,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Customs'."

Since which an amendment has been moved:

"That the provision for Rs. 77,000 for the Cotton Excise Establishment be omitted."

Further motion moved:

"That this debate be now adjourned till Thursday, the 12th March."

The question I have to put is that the debate be adjourned till Thursday, the 12th March.

The Assembly divided :

AYES—62.

Abdul Mumin, Khan Bahadur
Muhammad.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abul Kasem, Maulvi.
Ahmad Ali Khan, Mr.
Ahmed, Mr. K.
Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Ajab Khan, Captain.
Akram Hussain, Prince A. M. M.
Alimuzzaman Chowdhry, Mr.
Ashworth, Mr. E. H.
Badi-uz-Zaman, Maulvi.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Burdon, Mr. E.
Calvert, Mr. H.
Clarke, Sir Geoffrey.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Datta, Dr. S. K.
Fleming, Mr. E. G.
Ghose, Mr. S. C.
Ghulam Abbas, Sayyad.
Graham, Mr. L.
Hira Singh Brar, Sardar Bahadur
Captain.
Hudson, Mr. W. F.
Hussanally, Khan Bahadur W. M.
Hyder, Dr. L. K.
Innes, The Honourable Sir Charles.
Jinnah, Mr. M. A.
Joshi, Mr. N. M.
Lloyd, Mr. A. H.

Makan, Mr. M. E.
Malaviya, Pandit Madan Mohan.
Marr, Mr. A.
McCallum, Mr. J. L.
Mitra, The Honourable Sir Bhupendra
Nath.
Moir, Mr. T. E.
Muddiman, The Honourable Sir
Alexander.
Muhammad Ismail, Khan Bahadur
Saiyid.
Mutalik, Sardar V. N.
Naidu, Mr. M. C.
Nambiyar, Mr. K. K.
Pal, Mr. Bipin Chandra.
Rajan Bakhsh Shah, Khan Bahadur
Makhdum Syed.
Raj Narain, Rai Bahadur.
Ramachandra Rao, Diwan Bahadur M.
Rangachariar, Diwan Bahadur T.
Rau, Mr. P. R.
Reddi, Mr. K. Venkataramana.
Rushbrook-Williams, Prof. L. F.
Sarda, Rai Sahib M. Harbilas.
Sastri, Diwan Bahadur C. V.
Visvanatha.
Setalvad, Sir Chimanlal.
Stanyon, Colonel Sir Henry.
Tonkinson, Mr. H.
Venkatapatiraju, Mr. B.
Webb, Mr. M.
Willson, Mr. W. S. J.
Wilson, Mr. R. A.
Yakub, Maulvi Muhammad.

NOES—49.

Abhyankar, Mr. M. V.
Acharya, Mr. M. K.
Aiyangar, Mr. C. Duraiswami.
Chaman Lall, Mr.
Chanda, Mr. Kamini Kumar.
Chetty, Mr. R. K. Shanmukham.
Crawford, Colonel J. D.
Das, Mr. B.
Das, Pandit Nilakantha.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Goswami, Mr. T. C.
Govind Das, Seth.
Gulab Singh Sardar.
Hans Raj, Lala.
Hari Prasad Lal, Rai.
Iyengar, Mr. A. Rangaswami.
Kasturbhai Lalbhai, Mr.
Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Kelkar, Mr. N. C.
Kidwai, Shaikh Mushir Hosain.
Lohokare, Dr. K. G.
Mehta, Mr. Jannadas M.
Misra, Pandit Shambhu Dayal.
Misra, Pandit Harkaran Nath.

Murtuza Sahib Bahadur, Maulvi
Sayad.
Narain Dass, Mr.
Nehru, Dr. Kishenlal.
Nehru, Pandit Motilal.
Nehru, Pandit Shamlal.
Neogy, Mr. K. C.
Patel, Mr. V. J.
Phookun, Mr. Tarun Ram.
Piyare Lal, Lala.
Purshotamdas Thakurdas, Sir.
Ranga Iyer, Mr. C. S.
Ray, Mr. Kumar Sankar.
Rhodes, Sir Campbell.
Roy, Mr. Bhabendra Chandra.
Sadiq Hasan, Mr. S.
Samiullah Khan, Mr. M.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Singh, Mr. Gaya Prasad.
Sinha, Mr. Ambika Prasad.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Gangahand.
Syamacharan, Mr.
Sykes, Mr. E. F.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Saturday, the
7th March, 1925.

